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(21,821 and 21,837.)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1909.

No. 595.

JOHN A. KNOTT, H. R. OGLESBY, AND FRANK A. WIGHTMAN, RAILROAD AND WAREHOUSE COMMISSIONERS, AND ELLIOTT W. MAJOR, ATTORNEY GENERAL OF THE STATE OF MISSOURI, APPELLANTS,

vs.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY.

FILED SEPTEMBER 13, 1909.

No. 611.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY, APPELLANT,

vs.

JOHN A. KNOTT, H. R. OGLESBY, AND FRANK A. WIGHTMAN, RAILROAD AND WAREHOUSE COMMISSIONERS, AND ELLIOTT W. MAJOR, ATTORNEY GENERAL OF THE STATE OF MISSOURI, ET AL.

FILED SEPTEMBER 22, 1909.

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ATCHISON, TOPEKA & SANTA FE RAILWAY CO.
vs.
HERBERT S. HADLEY et al.

The above entitled cause coming on for trial on Monday, December 28, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Messrs. Frank Hagerman and Gardiner Lathrop representing the Complainant, and Messrs. F. Lehman, S. B. Ladd and John Kennish representing the defendants.

9119 JAMES PEABODY recalled, testified as follows:

Direct examination.

By Mr. HAGERMAN:

Q. Exhibit 45 was put in evidence in the Frisco case, and that was a statement of the Missouri earnings and expenses from July 1, 1907, to December 31, 1907, offered in connection with the testimony of Mr. Conrad, and I ask the record now to show that that is uncontroverted here.

That was a statement that Mr. Conrad said his first statement served upon the state, was taken by the State's experts and gone over, and they made some objections to some items, and then this

exhibit 45 was a revised statement gotten up and agreed to by all of them?

A. That was the case.

Q. I wish to ask you a few questions in reference to the Santa Fe: have you a statement or figures showing the result during those six months period, as compared with the previous period of time upon your road, as to the passenger figures?

A. I have a statement here which embraces the year of which those six months are a part.

Q. Let us see what you have?

A. It is already in evidence.

Q. This comparative statement you have now gotten up comparing the passenger business is for an entire year including the
9120 six months, as shown by exhibit 45?

A. It is.

Q. Have you extra copies of those?

A. They are already in evidence.

Q. That was put in as exhibit 38?

A. Yes sir.

Q. And that showed that the decrease in revenue over the previous year was what?

A. 1.8%, as I recall it now. It is on the statement there.

Q. That is for the year?

A. The decrease in revenue on the state business was 1.8% although the amount of business done was very much larger.

Q. That is, the increase in the number of passengers was 19.6, and the increase of passengers carried one mile was 15.6?

A. Yes sir, that is right.

Q. Yet the decrease in revenue was 1.08%?

A. Yes sir.

Q. Have you any figures there for either the state or the system, showing what the increase was over the previous year, say, in per cent?

A. The annual report covers the total passenger earnings and on page 15 it shows that the increase on the system in passenger earnings in 1907 over 1906 was 17.52%. In passengers or pas-
9121 senger miles.

A. Passenger earnings.

Q. And for this year, for Missouri, it is decreased to 1.8%.

A. Yes sir.

Q. What was the normal increase in the number of passengers on the system, and the passengers per mile: have you that?

A. I think I can give it to you.

Q. What I wanted to get was whether from that statement of that revenue, the decrease in revenue was abnormal?

A. Yes sir, very abnormal.

Q. Was or was not the increase in passengers carried and the passengers one mile, normal?

A. The increase in passengers carried one mile in the state was very abnormal.

Q. What is your per cent?

A. I don't know that I understand just what you mean?

Q. You have given it for the year 1908, over the year 1907, when the decrease was 1.8: while the number of passengers increased 19.6%?

A. Yes sir.

Q. The number of passengers carried one mile increased 15.6%: what was the increase in the number of passengers and the increase in passengers carried one mile, previous to that?

I want to get whether that increase was normal or abnor-
9122 mal?

A. I will have to figure that out. The number of passengers carried one mile on the system increased 59,828,468.

Q. That is in the passenger miles?

A. Yes sir, that is on the system; or an increase of 6.1%.

Q. And during that time, in the State of Missouri, it was about 15%?

A. Yes sir.

Q. Have you the figures for the previous year?

A. I haven't it for the previous year, no sir. The state figures are there compared for the previous year, and that is what makes the increased per cent.

Q. But you have not the increase for the state of the year 1906 over the year 1905?

A. No sir, the lower columns show interstate.

Q. What was the result as to the interstate?

A. The result of the interstate was that the number of passengers increased 22.6%. The number of passengers carried one mile increased 19.1%. The revenue increased only 9%.

As I said on direct examination, that result is brought about by the reduction on account of the two cent law in the through rates. The old tariff being $12.50 from Kansas City to Chicago, and the new tariff, on account of the 2 cent state rate being $9.50. Consequently on every interstate passenger we lost $2.53, not
9123 only on account of the Missouri 2 cent law, but on account of Missouri and Illinois combined.

Q. You do not seem to have the figures for the state. But what I want to get at, and any reasons you may have for it, is that the state made some contention in some cross examination of witnesses in the Frisco case, that there had been a very large increase of state travel by reason of the two cent fare?

A. All I have on that point is the increase in our total business. The increase in 1906 over 1905 was 17%.

Q. That is what I am getting at.

A. The increase in 1907 over 1906 was 12%. There has been a gradual increase every year. I think if I remember correctly Mr. May put in evidence a statement showing that the increase throughout their system for a long number of years was about that.

Q. You have heard all that testimony, and you give these figures, and there is no substantial difference when you treat with the sys-

tem figures, and what I want to get at is your opinion as to whether the two cent fare has abnormally increased the state travel?

A. No sir, I don't think it has.

Q. Have you a statement that you have prepared, showing the actual market value of the stocks and bonds of the Santa Fe Railroad, as applied to the apportionment for Missouri?

9124 A. Before going to that, do you want to know how much we lost on that?

Q. Oh yes, I forgot to ask you that.

How much were your earnings per passenger per mile in Missouri, prior to the adoption of the two cent law?

A. Our average was 2.31 cents for the year before.

Q. And what was it since the law went into effect?

A. 1.96 cents.

Q. That covers what I wanted to get at.

Now have you made a tabulation of the market prices of your stocks and bonds, and apportioned its share to Missouri, and on what theory and how does that compare with the State Board's valuation of three times the assessment?

A. Because of so many ideas concerning the question of valuation, I thought it might be interesting to prepare a statement on the basis of the actual market prices of the securities of the Santa Fe road, for the year ending June 30, 1908. Consequently I took the Financial Chronicle for the entire year, and copied the prices for each day, and averaged it throughout the year.

Q. The Financial Chronicle is a well known financial quoter, you might call it?

A. Yes sir, it is the standard for such quotations.

Q. Go ahead with your statement?

A. On that basis the bonds of the company were worth

9125 $300,134,015.00. The Preferred Stock was worth $99,639,089.92. The Common Stock was worth $80,598,282.50. Making a total valuation of $480,371,387.42.

Q. Apportioned to Missouri, what would be the result? What I want to get is a comparison of these figures with the State Board's valuation?

A. I don't know that I have that figured that way.

Q. What I wanted to do for the purpose of illustration was——

How do you apportion it? You have that figure for the entire system, and in exhibit 45 you have apportioned, for instance, of the bonded indebtedness a certain proportion to Missouri. In making the same kind of apportionment or allotment of that valuation to Missouri, how does it compare with the State Board's valuation?

A. It would be larger, very much larger, considerably larger.

Q. About what would it be?

A. $22,217,065.75.

Q. I believe according to Exhibit 45 it is $15,091,212?

A. Yes sir.

Q. In order to have that for the purposes of comparison, if you have it in detail, showing how you figure that out, I would like to offer that as an exhibit?

A. I took it on the earnings basis, and found that the
9126 Missouri proportion was 6.103%, making a valuation of $22,217,065.75.

Q. You divided it upon the earnings basis?

A. Yes sir.

Q. Suppose you divide it upon the basis of mortgage indebtedness, where would that leave you?

A. I don't understand that question.

Q. You have a mortgage upon your entire system, and the Missouri proportion of that is a certain figure?

A. This is Missouri's proportion on the basis of earnings.

Q. What would be the proportion, the same as you divide the mortgage indebtedness on?

A. On the basis of mileage?

Q. Yes.

A. I haven't figured that up.

Q. If you will have that made up, we can file it later if we desire to do so.

Mr. HAGERMAN: I will offer in evidence the paper prepared by Mr. Peabody, being the statement of the valuation of the A. T. & S. F. System, on basis of average price of Securities for year ending June 30, 1908.

The paper referred to is marked Complainant's Exhibit No. 74.

Complainant's Exhibit 74 is in the words and figures following to-wit:

9127 Q. Have you prepared a statement from Exhibit 45, another statement, applying the theory adopted by Circuit Judge Vandeventer in the Arkansas case, to see where it would lead to?

A. I have. In that statement I followed the formula he laid down.

Mr. HAGERMAN: I will offer that statement in evidence.

The paper referred to is marked Complainant's Exhibit No. 75.

Complainant's Exhibit No. 75 is in the words and figures following to-wit:

9128 Q. What is the result as to that, and how did you reach that result?

A. I took the freight revenue, divided as between state, interstate and miscellaneous, and ascertained the percentage proportion of each.

Then I took the passenger revenue divided between state, interstate and miscellaneous, and ascertained the proportion of each of those.

Then I divided the totals of both freight revenue and passenger revenue, so as to see the total per cent applying to each.

Our interstate freight revenue was $1,872,915., or 90.05% of the total freight revenue. The state revenue was $141,133, or 6.79% of the total freight revenue. The miscellaneous freight revenue was

$65,833, or 3.16% of the total freight revenue, making a total freight revenue of $2,079.881.

The passenger revenue interstate was $355,318. The state passenger revenue was $104,370, or 15.22%. I omitted to say that the interstate passenger revenue was 51.81 per cent. The mail, express and miscellaneous passenger revenue amounted to $226,080, or 32.97%. Making a total passenger revenue of $685,768, equalling 24.80%.

Then I divided the total of those two sums between freight and passenger, making the freight revenue 75.20%, and the pas-
9129 senger revenue 24.80%, of the total revenue.

I then took the freight expenses, with the taxes and rentals, making a total of $1,415,100, equalling 70.83% of the total expenses.

The passenger revenue, taking the operating cost, taxes and rentals, which in that case was a credit——

Q. By credit you mean you had received that much more than you had paid out for track rental?

A. Yes sir, on account of passenger business, making $583,021; making our freight expense total 70.83%, and our passenger expense total 29.17%.

Then I took the interest charges of the entire line for the year ending June 30, 1908, which was $12,579,302, and on the assessed proportion accruing to Missouri on the earnings basis of 5.626% for the year, the proportion for six months being 54.14% of the year, for the reason that the earnings for the first six months were larger than for the last six months—that is the first six months earned more than one half of the year's earnings by 4.14%. That made the proportion of the interest charges assignable to Missouri for the six months, on the earnings basis $383,155. And dividing that between freight and passenger, on the basis of the earnings shown above (indicating Exhibit 75) we have a charge to freight of $288,132, and a charge to passenger of $95,023. Those items make up
9130 the factors to which I applied the rule as laid down by Judge Vandeventer in his opinion.

He said "first double the revenue derived from the state freight:" the state revenue being $141,133, double that would give us $282,266. Interstate freight being put down as quoted above, $1,872,915, and the miscellaneous being put in as quoted above, at $63,833, it makes a total of $2,221,014, of which the state revenue is 12.71%.

I then took the total operating expenses, charged to freight, and applied that 12.71% to it, making a total charge of $179,859.21. I added then the interest charge properly accruing to freight (that is not doubled of course) making $19,564.16, making a total charge to freight for expenses $199,423.37.

The actual earnings then put against this of $141,133, shows a net loss on state freight of $58,290.37.

Q. By net loss you mean applying the rule that Judge Vandeventer said was proper, to exhibit 45, to which the state's expert has-

agreed is correct, and the result is that there is a net loss of $58,290.37?

A. Yes sir, on freight.

Q. And by net loss you mean that the state freight lacks that much if paying the actual interest charge?

A. It lacks that much of coming out even.

Q. You have taken out the interest charge?

A. Yes sir.

9131 Q. So if the property is worth more than the bonded indebtedness, for instance, you not only get no return upon that excess, but for the six months' period on the state freight you lack that much of coming out even?

A. Yes sir.

Q. Now take Judge Vandeventer's rule, and apply it to the passenger traffic?

A. The same process was used as to passenger.

The state passenger revenue being $104,370, his rule added 15% to that, increasing it to $120,025.

Q. Now this 15% is what Judge Vandeventer took as the minimum extra cost of doing state over interstate passenger business?

A. Yes sir.

Q. And you have taken that minimum of 15% in working out his rule?

A. Yes sir. That leaves the state passenger revenue, under that rule, as $120,025, which would be 17.11% of the total passenger revenue.

Then I took the total passenger operating expenses, as already shown above, and applied that percentage to it, which would make an amount of $99,754.89. Then adding to that the interest properly chargeable to passenger business, $14,462.50, making the total which the passenger business ought to have earned under that rule $114,217.39. Now we did earn $104,370, leaving a shortage of $9,847.39.

9132 Q. In that statement as to the passenger, just like as to the freight, the only thing you have allowed for is interest?

A. That is all.

Q. Nothing for a return upon the investment of any value that there might be over the interest charge?

A. Nothing.

Q. The result of that is that you lack on the passenger business for those six months $9,847.39 of coming out even?

A. Yes sir.

Q. And for that you have taken for the purposes of calculation only 15% extra for the cost of doing state over interstate business?

A. That is all.

Q. That deficit would be increased very largely if you would increase the percentage of extra cost?

A. Yes sir. You recall we showed in our Missouri statement, by our actual test, that it costs us 48% more to do state than interstate business. Now if you applied that 48%——

Q. Then what would your deficit be?

A. I haven't figured out what it would be.
Q. At least three times?
A. Yes sir, more than three times.
Q. And that is $58,000 of actual loss on the state freight business, according to Judge Vandeventer's rule, and $9,847 on
9133 the passenger business—that is, lacking those sums of meeting the interest and that is applied for a six months' period only?
A. Yes sir.
Q. You are perfectly familiar with the assessment of the State Board?
A. I have seen it.
Q. And you have made this valuation from the stocks and bonds?
A. Yes sir.
Q. It has been agreed here that the State Board's assessment was made upon a one-third valuation as fixed by that Board?
A. I understand so.
Q. You are familiar with the Santa Fe property from end to end?
A. I think so.
Q. And you are familiar with Missouri?
A. Yes sir.
Q. I will ask you the broad question whether in your judgment the property in Missouri is worth at least as much as this valuation of the State Board, three times the actual assessment, three times as much as the assessment?

Mr. LEHMANN: We object to that. It has not been shown that this witness is competent to testify as to the value of the property.
9134 The COURT: The evidence will be received subject to the objection.

A. At different times I have made very many computations on the value of railroad property throughout the entire United States. I am well assured that the road in Missouri could not be duplicated for the amount.
Mr. HAGERMAN: You are familiar with the actual cost of the thing, aren't you?
A. No sir, I don't know what it actually cost.
Q. I don't mean as a whole property, but the actual cost going on from time to time in your improvements that are being made and your extensions that are being built: you are more or less familiar with the cost of producing a railroad property?
A. Yes sir, I have made examinations for that purpose.
Q. Then how would you answer the question, what in your judgment would be the fact, that the property is worth at least three times the amount fixed by the State Board?
A. That would depend, of course, upon the definition of the word "worth." But certainly the property cannot be reproduced to-day for that amount of money, and from that standpoint it would be worth more than the amount fixed by the State Board valuation.

Recross-examination.

By Mr. LEHMANN:

Q. I will call your attention to Exhibit 38?

A. That is the passenger earnings?

9135 Q. Yes. Your first total on that shows state passengers, the number carried, the passenger miles, and then the revenue. Now that revenue is strictly passenger revenue, that is, money paid for tickets or transportation?

A. Yes.

Q. That does not include miscellaneous earnings?

A. I don't think so.

Q. And the same is true of all the totals in Exhibit 38?

A. Yes sir.

Q. These revenues are strictly passenger revenues?

A. Yes.

Q. And they indicate the amount per mile received?

A. Yes sir.

Q. That is you would get the amount per mile——

A. By dividing the amount of the revenue by the passengers per mile. That is the way in which this result of 2.31 cents for 1906, and 1.96 cents for 1907 was arrived at.

Q. The 2.31 and the 1.96 are those derived from the total state and interstate business?

A. No sir, simply the state business. In other words, the 2.31 cents is arrived at by dividing $187,378.52, which are the earnings for the year 1906, by the total number of passengers carried one mile.

Q. We could get the same result for the interstate by dividing the appropriate totals here?

A. Exactly. Those figures are correct, unless I made a

9136 little error; I did it hurriedly at the table there, but I presume they are correct.

Q. This indicates operations for the State of Missouri, state and interstate?

A. I will say in explanation of these statements that Judge McPherson thought it ought to be tried for three months to see what the actual results would be, and as we had an opportunity to show him the results for a year, we made it for a year.

Q. Exhibit 38, and those four tables, show the operations in the State of Missouri for the time indicated, which is the fiscal year from June 19 to——

A. It is a little more than the fiscal year. The two cent rate went into effect on June 19.

The COURT:

Q. The time is indicated on the table?

A. Yes sir.

Mr. LEHMANN:

Q. So your variation here you say represents the average of prices shown by the Financial Chronicle?

A. Yes sir.

Q. The average of the quotations on the Board of Trade New York Stock Exchange?

A. Yes sir, as published by the Financial Chronicle.

Q. That shows large variations from month to month and year to year?

A. Yes sir.

Q. Sometimes as high as 100% in the course of a single year?

9137 A. The Santa Fe did not vary as much as that during the year, but some of them did.

Q. The Union Pacific having gone up from 100 to 180 in the year?

A. Yes sir.

Q. And then they go down just as hard?

A. Yes sir, as some people have found out.

Q. And usually the general public *in* in when they are going down?

A. I have in mind some other people who were also in at the same time.

Q. Do you know how much of the $300,000,000 of bonds the $99,000,000 Preferred Stock and the $80,000,000 Common Stock ever went into the Treasury of the company, and out of the Treasury into the property which constitutes the Atchison, Topeka & Santa Fe Railroad system?

A. I do not know that I understand that question.

Q. There is a capitalization of $480,000,000, made up of $300,000,000 in Bonds, $99,000,000 of Preferred Stock, and $80,000,000 of Common Stock—with some hundreds of thousands negligible: how much of that amount was paid into the Treasury of the A. T. & S. F. Railroad, and went out of that Treasury into the property which constitutes the Atchison, Topeka & Santa Fe System?

9138 A. A very large proportion of the entire mileage of the Santa Fe was built before any one of these securities was ever issued. Those are the issue of the reorganization. A large part of the road was built before that time.

Q. That is what I supposed?

A. They are supposed to represent the value of the property at that time. Certainly, the property could not be rebuilt for that value.

Q. We may disagree about that. Some of us think the values are inflated. You are not able to tell how much of that $480,000,000 went into the Treasury of the Company, and out of the Treasury into the property constituting the Company's Railroad?

A. There did not a dollar of that particular $400,000,000, but some other $400,000,000 probably did.

Q. Have you any knowledge of that, and is there anything in your records to show how much on the dollar did the Company get for the $300,000,000 of bonds?

A. I do not know.

Q. What were those bonds marketed at, how much discount?

A. I don't know.

Q. How much on the dollar did the Company get on its Preferred stock?

A. I don't know.

Q. How much on the dollar did the Company ever get for
9139 its Common Stock?

A. I don't know. I can tell you what I paid for some Common Stock.

Q. No sir. That has gone to somebody on Wall Street. No sir, I want to know what the Company got when it issued this stock?

A. I don't know.

Q. Your Exhibit 75 covers a period of 6 months?

A. Yes.

Q. That table is a mere application of the rule of apportioning expenses to figures. You have simply accepted the rule, and this Exhibit 75 is a matter of arithmetically working it out?

A. That is all.

Q. Bringing in no new element of fact?

A. No sir, no new element of fact whatever. It will vary slightly from the figures submitted by the auditor of disbursements in his statement for the reason that he made up his statement on the basis of actual earnings for the six months, whereas I made up my basis for interest on the proportion that the six months' business bore to the year's business.

Q. You took one half?

A. No sir, as I state in the summaries, I took only the proportion that the first six months bore, so it will vary from Mr. Conrad's figures to that extent.

Q. Have you the records in your Company to show what
9140 the average carrying of passengers is in the ordinary day coaches and in the Pullman coaches?

A. No sir.

Q. Have you any records in your company to show the efficiency of cars used in the interstate traffic, as compared with cars used in the state freight traffic?

A. No sir.

Redirect examination.

By Mr. HAGERMAN:

Q. Mr. Peabody, I believe you stated in answer to Mr. Lehmann, but I don't know whether you made it plain or not, that this outstanding stock, the issue of it, was prior to the reorganization of the company?

A. Yes sir, this is entirely stock issued since the reorganization.

The COURT: In other words, some years ago there was a foreclosure and receivership resulting in a reorganization?

A. Yes sir, and this is operations since that time.

9141 W. B. DODDRIDGE recalled, testified as follows:

Direct examination.

By Mr. HAGERMAN:

Q. You are familiar in a general way with the Santa Fe property, and its property as listed by the State Board?
A. Yes sir.
Q. The assessment of the State Board was $18,500 per mile, or $5,030,404 for the State of Missouri, at what has been agreed to be one-third at what they valued it at. What I want to know is, the same as we asked you in the Frisco case, whether in your judgment the Santa Fe in Missouri is worth that amount, three times the $5,030,404?
A. Yes sir, it is in my judgment.
Q. At least that much?
A. Yes sir, at least that much.

Cross-examination.

By Mr. LEHMANN:

Q. How much is that in the total per mile?
A. $55,500.
Q. Don't you think you could build a road for a good deal less than that, Mr. Doddrige?
A. Not and equip it.
Q. Do you believe that any such amount of money as that has gone into the property of the Atchison, Topeka & Santa Fe Railroad in Missouri?
9142 A. As represented by the Board of Equalization, I should say yes.
Q. I asked you if you believed that that amount of money went into that property. I just ask you as an individual if you believe any such amount as that has gone into that property?
A. I have answered it in accordance with the Board of Equalization report that I have examined.
Q. I am asking you for your belief. You are a railroad man, and have been concerned in it. I ask you if you believe individually, that any such amount of money as that ever went into that property per mile?
A. I want to know what you refer to, the track?
Q. You take the railroad in its total, and I am asking you whether you believe——
Mr. HAGERMAN: The terminals, equipment, betterments, and everything.
A. Yes sir, I do.

Mr. LEHMANN:

Q. You believe that all the capitalization of the company went into the railroad?
A. No sir, I don't say that.
Q. Do you know of a single railroad company west of the Missis-

sippi river, in which its capital, or 65% of its capital ever went into the property?

A. I cannot answer that, Mr. Lehmann.

Q. Do you know of a single railroad west of the Mississippi
9143 river in which 50% of its actual capitalization ever went into the property?

A. I cannot answer that.

Q. I will ask you if it is not a matter of common knowledge, and a matter of your individual knowledge, that the capitalization of all these roads has been watered to a very great extent, and that the stock as a rule does not represent one penny that ever went into the Treasury of the Company? I will ask you if that is not true and characteristic of western railroad operation?

A. I don't know as to the Santa Fe road, anything about the original capitalization of the road. The value of the Santa Fe Road is represented by these figures in this report that I have examined, and from my knowledge of the property I do not believe it could be replaced for $55,000 per mile in Missouri.

Q. Do you believe that the actual reconstruction cost would equal $55,000 per mile?

A. I want to explain my answer. This valuation represents the track, the equipment, the terminals, and all other property of the company, this valuation of $55,000 per mile. It includes 40 miles of double track in the State of Missouri. It includes a bridge across the Missouri river. I should say it is a very conservative figure.

Q. What terminals has the Santa Fe in Missouri?

A. It has terminals here in Kansas City.

9144 Q. It has none in St. Louis, has it?

A. No sir, I believe it does not run to St. Louis.

Q. Has it any in St. Joe?

A. Yes sir.

Q. Has it any terminals of its own there, or are they joint terminals?

A. It has some terminals of its own, but I don't know how much. I am not specially familiar with the situation in that respect.

Q. How much a mile do you estimate the terminal facilities of the Santa Fe in the State of Missouri to be worth per mile of road?

A. I have not made any estimate of that.

Q. The extensive terminals of the Santa Fe at Kansas City, are in Kansas, aren't they?

A. Not all of them, no sir.

Q. What is the mileage of the Santa Fe in Missouri?

A. As given in the State's figures, it is 271.91.

Q. In your estimate of $55,000 per mile, how much per mile do you allow for terminals?

A. I do not make any allowance for terminals. I only suggested that in a general way.

Q. How much do you allow for equipment?

A. I do not remember that unless I get the book and look at it.

Q. How many freight cars per mile of road in Missouri
9145 has —

A. I do not remember, but I can tell you from the records.

Q. How many passenger cars per mile has the Santa Fe in Missouri?

A. I do not remember.

Q. How many locomotives per mile?

A. I do not remember that.

Q. What do you estimate for its rolling stock and motive power per mile in Missouri?

A. I don't remember the figures.

Q. Do you know what the stock of the Santa Fe was worth when it went into the hands of a Receiver about ten years ago?

A. Specifically I don't remember, but I do not think it was worth anything at that time.

Q. How much of its present capitalization has been issued to take up stock, or in lieu of stock, that was worth nothing ten years ago?

A. I do not know, except in a general way, and what I heard testified to here by Mr. Peabody this morning, that there are $480,321,387.42 of new securities, issued against the property since the reorganization.

Q. Are you able to state whether, as a result of the reorganization, its capitalization was more than it was before the reorganization, or whether it was less?

A. I do not know specifically.

Q. Do you know of any case where a foreclosure of a
9146 railroad mortgage, and a reorganization, resulted in a reduction in capitalization?

A. I think in the growth of the Company, the capitalization of all companies have been increased, and they have increased in the past ten years.

Q. The rule in rai road organization is not to eliminate any capitalization, but represent it by stocks and debentures?

A. I think in the reorganization of railroads the future is somewhat discounted, which would be in my judgment perfectly proper.

Q. How many years would you discount the future with propriety?

A. Well, in the case of a railroad, I should say the future should be discounted about five or ten years.

Q. They never fail to do that?

A. I have never had anything to do with reorganizing a railroad, so I do not know.

Q. How much is the stock of the Santa Fe road, that ten years ago was worth nothing, north now on the market?

A. Well, common stock has been selling at 80 or 90 or along there. I do not know exactly what it is to-day or within the last two or three weeks, but I know it has been selling along there during the past six months.

Q. That same stock that was worth nothing ten years ago?

A. Oh, no.

9147 Q. How is that?

A. When the Santa Fe was first reorganized, and the stock first put upon the market, it was worth about $20.00, as I remember, and it has had a great deal of advancement during that period, from that to the present price. At that time it paid no dividends. Since then it has been placed upon a dividend paying basis, the railroad

has been developed, new lines constructed, and its business greatly increased, and together with that, of course the general value of the property has gone up.

Q. Take the old Santa Fe Company, and its stock was above par, wasn't it?

A. I believe it was at one time.

Q. And it had no bonds whatever?

A. I do not know as to those things, Mr. Lehmann.

Q. Don't you remember the Atchison, Topeka & Santa Fe was conspicuous in the country for having no bonds?

A. They may be so.

Mr. LATHROP: That was true of the Alton but not the Santa Fe.

Mr. LEHMANN: I thought it was the Santa Fe.

The COURT: It is true of the Great Western.

Mr. HAGERMAN: The Great Western is the only one I know of.

Mr. LEHMANN: I thought it was true of the Santa Fe.

9148 Mr. LATHROP: The foreclosure was under the mortgage, you know.

Mr. LEHMANN: You don't know whether that is true of the Santa Fe, or not?

A. No sir.

Q. But you do know that the stock before the Receivership had been above par?

A. I believe it had, but I am not certain about it. That is my recollection, though.

Q. And then it came down about the time of the Receivership, and was worth practically nothing?

A. Yes sir, the road became bankrupt.

Q. What is the total mileage of the Santa Fe at the present time?

A. I do not know that in exact figures, but I think it is about 9000 miles.

Q. Approximately?

A. Yes sir, approximately 9000 miles.

Mr. HAGERMAN:

Q. You have not the books before you to give those details.

Mr. LEHMANN: I am perfectly willing you shall suggest that.

Mr. HAGERMAN: Let him take the books then and give the exact figures.

Mr. PEABODY: The mileage of the system proper on June

9149 30, 1908, was 9,430.66.

Mr. LEHMANN: Mr. Doddridge, the mileage of the Santa Fe proper is 9,430.6: you know the states through which that mileage is distributed?

A. Yes sir, I don't know that I can call them off exactly.

Q. I just asked if you knew them?

A. Yes, I know where the road runs.

Q. This is the question I wish to ask you: how does the mileage in the State of Missouri compare in value with the average mileage of the Company: is it above or below, would you say?

A. I should judge that it is probably above.

Q. I suggest to you that probably its mileage in Illinois stands first?

A. The line from Kansas City to Chicago is a peculiarly constructed railroad.

Q. But would not its mileage in Illinois be considerably more valuable, considering they have the very large terminals in Chicago?

A. Probably it would.

Q. Then Kansas: wouldn't that rank next?

A. You mean going from Chicago through the state——

Q. Take whatever mileage it has in Kansas?

A. Yes sir, I would say it would.

Q. And the Indian Territory

A. Yes, it has good property in the Indian Territory.

9150 Q. What are its lines in Missouri?

A. It has a line called the Lexington-St. Joe Branch. It has its main line from Kansas City. Of course that is connected with the St. Joe Branch.

Q. That Lexington & St. Joe Branch is not a very high class road, is it?

A. No sir, it is not.

Q. It used to belong to the Wabash, and was sloughed off in the Receivership as non-paying property, wasn't it?

A. I believe that is correct.

Q. And then acquired by the Santa Fe, after its reorganization. Its miles through Missouri of main line, and that one branch, is about all it has, as indicated by this map (indicating)?

A. Yes sir.

Mr. HAGERMAN: That is the only branch it has.

Mr. LEHMANN: That branch would tend to bring down the average value of the Missouri property, wouldn't it?

A. Estimated by miles, yes, I guess it would.

Q. Isn't a great portion of their very extensive mileage out in the western country, into the mountainous country?

A. Well, when you get into the mountains, yes, they have mountain sections that would cost more, so far as the track is concerned, than a road that is built over the prairies; although I will say this, that the line across the State of Missouri was a very extensive line to build. Probably as expensive as many sections of mountain construction. The reason for that is that the Santa Fe Road

9151 was built in a diagonal direction, across the drainage of the country, which made it a very expensive road to construct, between Kansas City and Chicago.

Q. Do you know how much per mile they paid for that?

A. No sir, I do not, but I understood when it was constructed, and when it was built, that its original cost was very much greater than the average mileage in this section of the country. Then the class of work that was put into the road was of a high standard, such as stone bridges, culverts, and so on, required by this crossing of the drainage of the country in a diagonal direction.

Q. Some other roads do that, don't they?

A. Well, the Santa Fe, I understand, is the only road in this

country that was designed and constructed in that manner. In fact, it was criticized by engineers at that time—the wisdom of the location was criticized.

Q. Doesn't the Rock Island run in the same general direction?

A. I am not familiar with the Rock Island, but I do not think the Rock Island was built on those lines, or on a standard comparable with the Santa Fe.

Q. That simply means that the Santa Fe from Kansas City to Chicago went from the southwest to the northeast?

9152 A. Yes, crossing the drainage of the country at right angles.

Q. That is because it went from the southwest to the north east?

A. Yes sir, because they wanted to get a short line between those points, Kansas City and Chicago.

Q. Any road going in the same direction would have the same characteristics as to drainage as the Santa Fe?

A. If it went the same number of miles.

Q. Going in the same direction?

A. Going in the same direction, and having the same number of miles.

Q. Does not the Rock Island tend from here in a northeasterly direction, and do not all the lines which tend from here to Chicago pursue the same general direction that the Santa Fe does?

A. They have the same general direction, but I think there is a marked difference in their location, which can be obtained by swinging into the general course of the drainage. That makes a vast difference in the cost of construction.

Q. Yes, and swinging into the general direction of the drainage makes a difference in mileage?

A. Yes, I said that, comparing the mileage.

Q. How much shorter is the Santa Fe than the Alton between here and Chicago?

A. I don't know without looking it up.

9153 Q. Do you know whether it is any shorter?

A. I do not know.

Mr. LATHROP: About 40 or 50 miles?

Mr. LEHMANN:

Q. How is it as compared with the Rock Island between here and Chicago?

A. I don't know, I am not familiar with those distances.

Q. The Chicago, Milwaukee & St. Paul also has a line between here and Chicago, and so has the Great Western?

A. Yes sir.

Q. And what other road, the Burlington?

A. The Burlington.

Q. Can you give me the relative distances?

A. I can give you that after dinner.

Mr. LATHROP:

Q. The Santa Fe has the short line, it being about 40 or 50 miles shorter than any of the others?

A. Yes sir.

At this point recess was taken until 2 o'clock.

9154 After recess, on Monday, December 28, 1908, the following proceedings were had.

Testimony in Behalf of the Defendants.

A. P. TALIAFERRO, a witness of lawful age, being duly produced, sworn and examined on the part of the Defendants, testified as follows:

Direct examination.

By Mr. LEHMANN:

Q. Have you examined Exhibit 45 introduced on behalf of the Santa Fe Company in this case?
A. Yes sir.
Q. Have you verified it in any way?
A. We verified the gross earnings, and the total operating expenses.
Q. You just compared the totals of the exhibits, with the totals as shown by the books of the company?
A. With their books, papers and others records, yes sir.
Q. Have you analyzed that exhibit 45?
A. We have taken the earnings and expenses as shown by that Exhibit, and used them in preparing statements similar to those put in evidence in the Frisco case, showing what the result would be on various bases, dividing expenses on the ton mile basis.
Q. Have you a copy of your work?
A. Yes sir.

9155 Mr. HAGERMAN: Let me see if I understand: You have made for the Santa Fe statements on the same basis as your exhibits 61 and 64?
A. Yes sir.
Mr. LEHMANN: Will you please produce a statement made by you with respect to the passenger business of the Atchison, Topeka & Santa Fe Company?
A. I have it here.
Mr. HAGERMAN: That corresponds with exhibit 61 of the Frisco Company?
A. Yes sir.

Mr. LEHMANN: I will offer in evidence the paper referred to.
The paper referred to is marked Defendant's Exhibit 76.
Defendant's Exhibit 76 is in the words and figures following to-wit:

9156 Q. Please explain the exhibit you have just submitted?
A. We have divided the mail, express, extra baggage, and other miscellaneous passenger earnings, between state and inter-

state, on the basis of earnings from state and interstate passengers. Then we have divided the taxes and rentals and taken out the hire of equipment at this point, in order to get the net earnings on which to apply the different ideas as to cost. Then we work out the cost of the state and interstate business on three bases. One, that it costs the same per passenger mile to do the state as to do the interstate business. Second, that it costs 10% less per passenger mile to do the state than the interstate. Third, that it costs 20% less per passenger mile to do the state than the interstate business.

Then we have taken the state earnings on the three bases, and deducted the operating expenses, and show what the remainder would amount to on the portion of the property employed in doing the state passenger business, using the gross earnings as a basis for dividing the assessed value of the property—that is, three times the assessed value of the property.

The exhibit is on exactly the same lines as Exhibit 61, introduced in the Frisco case.

Q. Have you prepared a similar statement with respect to freight?

A. Yes sir.

Q. And that exhibit is similar to exhibit 64, introduced
9157 in the Frisco case?

A. Yes sir.

Q. And you explained in relation to exhibit 64 how you had reached the conclusions shown in that exhibit?

A. Yes sir.

Mr. LEHMANN: We offer in evidence this statement, which is predicated on the freight business of the Atchison, Topeka & Santa Fe Railroad.

The paper referred to is marked Defendant's Exhibit 77.

Defendant's Exhibit 77 is in the words and figures following to-wit:

9158 Cross-examination.

By Mr. HAGERMAN:

Q. This Exhibit 76 is prepared upon the same basis as Exhibit 61, introduced in the Frisco case, so that your testimony as to Exhibit 61, barring the change in figures as to the two roads, is applicable to your exhibit 76?

A. Yes sir.

Q. And the same is true as to Exhibit 77, that what you stated as to Exhibit 64 is applicable to it?

A. Yes sir.

Q. What percentage in exhibit 76 is the $51,350, which you assign to state earnings, of the total?

A. Between 20% and 25%. I have not the exact figures here.

Q. You add there to the expenses the rental item, or the hire of equipment item. The observations you made as to the Frisco Exhibits are applicable here, are they?

A. Yes sir.

Q. That in practical results in the Frisco case, they exactly offset each other?

A. Yes sir.

Q. And in the Santa Fe case there is a little balance there—a credit balance of $1,900, isn't there?

A. Yes sir.

Q. The observations you made in the Frisco case are applicable here, that that is not enough to change the result on that theory?

9159 A. Yes sir, and the net result of all is not changed.

Q. The Frisco put the net balance there, whereas you put the whole thing in, and then take it out again?

A. Yes sir.

Q. And in the sum and substance, when you get through, it is all the same thing?

A. That is true.

Mr. HAGERMAN: Your Honor will remember that in the Frisco case they exactly balance, and in this case they overbalance $1956, and that overbalance is carried into the account.

The COURT: Yes, I remember that. I understand.

Mr. HAGERMAN:

Q. Exhibit 77 corresponds to Exhibit 64 in the Frisco case, with the exception of its application to the figures of each road?

A. Yes sir.

Q. And what you said in cross-examination regarding Exhibit 64 in the Frisco case is applicable to Exhibit 77 in this case?

A. Yes sir.

Q. In Exhibit 77 you made the original division of expenses upon the ton mile basis?

A. Yes sir.

Q. And then you ascertained the increased cost upon the ton mile basis?

A. Yes sir.

9160 Q. As to our exhibit 45, as a matter of fact last June we served upon the State a statement along the same lines (a little bit different in figures) and when you or Mr. Hamilton came to check it up with the Auditors of the Santa Fe you found some differences, and those were adjusted and then this exhibit 45 was prepared as representing the revised form?

A. Yes sir.

Q. So far as the Santa Fe Exhibit is concerned, those figures are all right?

A. The earnings and expenses are all right.

Q. And the divisions and percentages, etc.?

A. Of the gross?

Q. Of the whole thing.

Q. Between state and interstate?

Q. Mr. Taliaferro, I am not binding you to any admission that our division upon the revenue basis is right, but the point I want to make plain is what I think Mr. Conrad stated, that when the state-

ment was prepared there was a difference of some few thousand dollars between what it is in Exhibit 45. When you experts came to check over the figures between you, you checked over all these differences, and exhibit 45 revised is what you agreed to as the correct figures—not that you agreed upon the theories at all?

A. Yes sir, that is true, and, further, when we came to divide the expenses between state and interstate we did not check
9161 that division.

Q. You mean you did not stop to do the mathematical work?

A. Yes sir, that is what I mean.

Q. You assumed that Mr. Conrad has correctly made the mathematical proportions?

A. Yes sir, I would do that.

Q. If there was any mistake of that kind a judge could find it out immediately, in the mere mathematical problems worked out?

A. Yes sir.

Q. Otherwise you took them as correct calculations?

A. We made no use of them. If we were working on them we would have done that, but we did not use the figures on that basis.

Q. You had all the opportunity for examination in the Santa Fe that you had in the other cases?

A. Yes sir.

Q. And every courtesy was shown you and every facility extended?

A. Yes sir.

Q. And for the purposes of this case you have no criticism to make upon that?

A. Not at all.

Q. As I understand, you did not undertake to localize the
9162 miscellaneous passenger earnings like you did in the division of passenger earnings between state and interstate?

A. No sir.

Q. You heard Mr. Nay's testimony this morning as to the division; but what you do say is that you assumed the proportion of earnings on the passenger two cent fare would represent a fair estimate?

A. The fairest, in our opinion.

Q. You made the division in that way?

A. We did.

Q. And so in the divisions of the miscellaneous earnings you did not take into consideration dividing it upon the basis of the commodities affected by the rates at all, but you took it upon the basis of the entire freight earnings?

A. It is only miscellaneous earnings we divided in that way. Switching is the larger part of the miscellaneous earnings, and I understood Mr. Nay to say that was his basis. Of course in the passenger business there is the mail and express.

Q. Demurrage is a large item, and storage is a large item: isn't that a fact?

A. I think switching is much the larger part of it.

Q. In these statements you make no allowance whatever upon the question of interest or interest charge?

A. No sir, we used merely the three times the assessed value
9163 figure, where we made any calculations at all.

Q. The idea of these two exhibits, upon your basis, was in the passenger business to throw together the revenue coming from the state two cent fare plus the miscellaneous earnings, get it as a lump sum, and get the return upon the entire business?

A. Yes sir, and we did it because we thought that was more correct, than to attempt to deduct the expenses of mail and express business on any basis available.

Q. And when you got the division, just as you did in the Frisco case, you divided it upon the basis of passenger miles?

A. Yes sir.

Q. But as to freight, the whole thing is upon the basis of the ton miles?

A. Yes sir.

Q. You have not figured out anything on the freight, upon a division on a revenue basis?

A. No sir.

Q. Neither statement makes any allowance for or takes into account the question of interest?

A. No sir.

Redirect examination.

By Mr. LEHMANN:

Q. That is, you do not include interest as a part of the operating expense?

A. No sir.

9164 Q. Your statement makes an estimate involving a return on capital, I believe, doesn't it?

A. It makes a figure showing what the return would be on three times the assessed valuation.

Q. It speaks for itself in that respect?

A. Yes sir.

Recross-examination.

By Mr. HAGERMAN:

Q. All we said in the Frisco case in computing the interest charge, and as to our views about the interest charge, would apply to this statement. I cross examined you at great length as to your exhibits offered in the Frisco case, and all that examination would apply to this statement, which is gotten upon exactly the same theory? That is right, isn't it, Mr. Taliaferro?

A. I think so.

9165 W. B. DODDRIDGE recalled, testified as follows, in behalf of complainants.

Direct examination.

By Mr. HAGERMAN:

Q. You started to say, in answer to Mr. Lehmann, and I did not think about it at the time you were excused, that the cost of constructing a railroad was not really the test of its value, because of the additions and betterments from time to time, and year to year, and the older a good first class road was, and the longer it lasted, the more valuable it became. I wish you would finish what you started to say, and give your reasons for it, briefly. And what are the different elements that enter into the valuation?

Mr. LEHMANN: I don't know that he started to say anything of that kind, and I asked him for nothing of that kind?

Mr. HAGERMAN: I think he did.

Mr. LEHMANN: Not one word.

Mr. HAGERMAN: I thought he had started to say it.

Q. If you did not start to say it then, Mr. Doddridge, what is in your mind now along that line. You may state it now as an expression of your opinion?

A. The first cost of a new railroad does not in my judgment constitute its value. I will state the principal elements that enter into the value of a steam railway.

First, there is the original cost of construction, which includes all of the expenses connected therewith.

9166 Second, the accumulated cost of replacements, additions and betterments. The correction of engineering defects that develop after a railroad has been built.

Third, the increase in valuation due to the process of seasoning. The embankments must consolidate and settle. The cuttings do a certain amount of sloughing, requiring a period of years before the point of average stability is reached, during which time a large and constant expense is going on. When this period has passed, the road may be considered complete in that respect.

There is an increased value from adaptation: that is to say the growth of cities and towns, the establishment of industries along the line, the building of public highways, elevators, mills, etc. The construction of branch lines that act as feeder, and the construction of parallel and competing lines affect the value.

The natural increase in the density of traffic, and the character of the traffic, should be taken into consideration.

Also the engineering characteristics of a line: that is to say, the gradiance, whether a line is what is known as of high grades or low grades, which affects the cost of its operation.

Then in my judgment the final test of the value of a railroad property is the average value of its securities in the world's markets.

9167 Mr. LATHROP: As applicable to our particular line, Mr. Doddridge, are you familiar in a general way with the Mis-

souri clay which runs through north Missouri, and its sliding qualities, making it extremely difficult to hold embankments in place, and causing a large expense before the road is what you called "seasoned" by replacements, so as to make the original cost of construction a small element of the final cost of the seasoned road, at the end of a term of say 8 to 10 years?

A. Yes sir, I am familiar with the character of that material, and know it is as you state, very unstaple when it is recently disturbed, and it is given to a habit of moving, sliding and sloughing, for a long time, until it becomes settled. That characteristic varies in different parts of the country. I know it is peculiarly bad in the section of country through which the Santa Fe road passes.

Q. And that is a sort of continuing menace, isn't it, whenever any rains or freshets come on during the year, filling the streams, and causing them to overflow, and attack these embankments?

A. Yes sir.

Recross-examination.

By Mr. LEHMANN:

Q. That is all taken care of in the operating expenses, maintenance of way?

A. It is taken care of, of course, after a certain period of
9168 time. In fact I think the very expense incurred in the seasoning is usually charged to operating expenses, but, nevertheless, it is really a part of the construction value of the road.

Q. As a matter of fact, the public, the patrons of the road, pay for that as they go along?

A. That depends entirely upon the way the accounts of the railroad are kept.

Q. Do you know of any road that does not deal with that as an operating expense, this maintenance of way account; do you know of any road that capitalized an expense of that kind and pays for it out of new money contributed for the enterprise?

A. Yes sir, the only road that I am familiar with the accounts for some years past is the Cotton Belt; and in that case they capitalize that kind of expense, because they were of an extreme character on that line. Ordinarily I do not know that those items are put into such an account.

Q. The Cotton Belt was in bad financial condition?

A. Yes sir.

Q. And you had to borrow money to pay operating expenses, didn't you?

A. We borrowed some.

Q. The fact is, the Cotton Belt was not permitted to run on its merits, because there were interests in it that were partly rival and partly competitive?

A. That is true.

Q. In other words, the Gould interests control the Cotton
9169 Belt wash the hands of the other roads?

A. In making the statement as to the settlement and con-

solidation of the embankments on a new road, I was talking purely from the standpoint of an engineer, and not from the standpoint of finance. I think, in fact I have no doubt in the world, that that kind of a charge should be charged to the cost of the road.

Q. The cost of operation, you mean?

A. No sir, I mean the cost of the road. I am talking of a newly constructed line.

Q. Do you know what was the cost of the Santa Fe Company?

A. No sir, I know nothing about the accounts of the Santa Fe.

Q. So far as your knowledge goes, isn't it true that expenses of that kind are charged to maintenance of way, and they do not draw, or include capital put into that?

A. Well, I presume you are right.

Q. You say that finally and chiefly you take the value of the securities in the world's markets: about a year ago the Missouri Pacific was selling above par, wasn't it?

A. Yes sir.

Q. And to-day it is selling for something over $50.00?

A. Yes sir.

Q. Has there been any such change in the value of the property as is indicated by that difference in the price of its
9170 stock?

A. Well, in the first place, my answer was as to the average value of the securities. I did not state the value as to any particular time.

Q. Isn't that value determined largely by the pure individual manipulation, by dividends paid that were never earned, or larger dividends paid than were earned?

A. Ultimately the average value of the securities of a railroad will represent the value of the property without reference to these temporary matters, to which you refer.

A year ago we had a money stringency and panic, and all stocks and securities of every kind went down, probably away below their real value. In the last six months stocks and bonds have been working upward. Now the average I think will represent the value, because that is what the property can be sold for.

Q. You mean that is the rate at which some of the stocks and bonds can be sold: isn't that what you mean?

A. No sir, I mean the average price at which you can probably sell out the railroad.

Q. Take the Chicago, Rock Island and Pacific: its common stock was worth 157 I believe, when the new people got hold of it, and they retired that stock, and issued the stocks and bonds of what is known as the Rock Island. Were not the market values of the stocks and bonds of the new issue predicated upon the old Chicago,
9171 Rock Island & Pacific Common Stock of much greater market price in their total than was the market price of the Chicago, Rock Island & Pacific, and wasn't there an expansion there in that single property of more than 50% the market prices of the securities representing it?

A. I am hardly qualified to state anything about any specific rail-

road, as to the manipulation in prices, or as to reorganization. The original Chicago, Rock Island & Pacific was one thing, and the Rock Island stock of the reorganized company is altogether another thing.

Q. Do you know what amount of bonds and stocks they issued, that had no other basis for their value than the original stock of the Chicago, Rock Island & Pacific?

A. No sir, I don't know anything about that.

Q. You say the industries along a line add to the value of a road?

A. Yes sir.

Q. How do they do that? Your local traffic is never profitable, is it?

A. No sir, I have not stated that the local traffic was not profitable.

Q. Do you know of any local traffic in this state that pays operating expenses, or ever has done so?

A. Indirectly I think local traffic has always paid.

Q. Didn't you state on your former examination that local roads, based upon expense, would be prohibitive?

A. Based solely on the cost of transportation, divided and
9172 separated from all other of the various classes of business, I did.

Q. How can that be of any value which costs you more than you get out of it?

A. It may produce other business. It has a certain relation to the other business, which if I recollect aright I stated in my testimony in my judgment cannot be separated.

Q. Do you allow any credit for that local traffic in your testimony?

A. No sir, we were talking from purely a scientific standpoint.

Q. Is it scientific to charge up expenses on the basis that you say would make the rates absolutely prohibitive, and still say that the traffic is worth while having?

A. Yes sir.

Q. And adds to the value of the road?

A. I say that traffic is worth while having because indirectly it does pay. Indirectly you must consider it in connection with all the other business of the road. Then it is a profitable business, and it does pay.

Q. In other words, in order to get that business you must reduce your rates correspondingly, so the rates will not be prohibitive?

A. Exactly.

Q. And that reduces it in your judgment below the pro-
9173 portion of expense that is applicable to it?

A. Yes, it is attributable to that, I should say, from an analytical examination of the accounts of railroads.

Q. After you have reduced the rates for that traffic below the ratio of expense attributable to it, it still is profitable to it, and enhances the value of the railroad property?

A. Yes sir, it enhances the value of the railroad property.

Q. Then do you think it is fair to charge traffic which does enhance the value of a railroad property, with a proportion of expenses that would prohibit that traffic?

A. If you want to ascertain the exact transportation cost of a special class or kind of business, and you separate it from everything else, and treat it distinctly as a unit by itself, the cost of its transportation is more than the railroads get for it. One of the reasons for that is the lack of density of business. The business is not sufficient in volume. The more that business grows, the greater the density of it becomes, and of course the less the loss the lower the cost. I suppose on some lines where local business is very heavy in itself, it might carry a profit.

Q. You, however, do not in actual operation handle this local traffic separate from all other traffic?

A. No sir, it is not handled separately, but it is handled
9174 mainly on a special class of trains, by an arbitrary fixed train service that runs over the railroad every day, and serves the public whether there is sufficient tonnage to work that engine and train to its full efficiency; and that is one of the additional and principal reasons for the extra cost.

Q. And which trains handle more interstate traffic then they do state traffic?

A. Yes sir, but those trains carry the great bulk of the state traffic.

Q. But they handle more interstate traffic than state traffic?

A. They handle local traffic, too.

Q. But they handle more interstate than they do state traffic?

A. Yes sir, I think they do.

Q. So far as your information goes?

A. Yes.

Q. You welcome the establishment of every factory along the line, don't you?

A. I did not catch that, Mr. Lehmann.

Q. You would welcome the establishment of a new factory on any road you were operating, wouldn't you?

A. Anything that would build up the density of traffic would be welcome.

Q. And you would think you ought to make a rate which would enable it to live?

9175 A. Yes, I would say it ought to have a rate that would enable it to live, provided all the conditions that surrounded the industry justified it.

Of course there might be factories established, or industries established, where a railroad could not afford to encourage its development. There are such cases.

Q. Did you ever happen to meet with any in your railroad experience? Do you remember shutting out any?

A. I don't know that I can recall any special cases, but I have known industries that had to shut down on account of the rates. They could not operate. I think I remember the establishment of a wagon manufactory out here on the Wabash road. I believe there is some testimony in this case, where the factory could not compete with certain factories that were established here in Kansas City.

Q. You mean that wagon factory up in Macon, Missouri?

A. I am not sure about the case.

Q. Was that offered as a suggestion here, that that was the reason that factory failed?

A. Not in this trial, but in the previous testimony before the Master, it was mentioned.

Q. Do you know anything about the facts of that case?

A. Nothing except what I heard in the testimony.

Q. Do you know that the owner of that factory made away with one and a half million dollars in five years, and that nothing he touched prospered?

9176 A. No sir, I did not know that.

Q. Well, I happen to know that. And that was the example given, was it, that factory at Macon?

A. I only referred to that as one example. That man's factory was not located at a point where it was to the interest of the transportation department to encourage it. He was not located at a large center, where they have business massed.

Q. And also where they have workmen familiar with that kind of work.

Do you know of any branch line in the State of Missouri that pays the cost of operation, a single one?

A. Well, I should judge the line on the Missouri Pacific, for instance, from Pleasant Hill to Joplin, ought to be a paying line.

Q. You haven't heard of any in this case, have you?

A. I don't know as to that. I am speaking only from observation in a general way.

Q. You have referred to testimony in this case?

A. I will say this, Mr. Lehmann, that a branch line of a trunk line railroad, while it might carry enough traffic to pay its operating expenses without paying its taxes, without paying interest, that branch line might be a profitable branch on account of the business or tonnage it contributes to the main line which carries the main volume of traffic, because that traffic from that branch reaches the main line, and the entire earnings from that

9177 traffic might be a profit to the main line. Or it might be profitable for instance to some other line beyond, being a line of the parent company.

Q. That is to say, the branch line which leaves the Missouri Pacific, we will say somewhere near Jefferson City, and runs down 100 miles, considered as a separate 100 miles of railroad, and on the basis of the accounting which obtains, would not pay operating expenses; but taken in connection with the Missouri Pacific Main line, and treating the two as one, it might be a profitable enterprise?

A. It might be a profitable enterprise from a Missouri Pacific standpoint, whereas if owned separately the thing could not be operated at all.

Q. But if it were owned by the one company, then it would be profitable?

A. It might be, or it might not be profitable.

Q. Do you recall in the course of the testimony that has been

given here, a single branch line which is shown by the testimony to be profitable. Aren't all of them running behind in operating expenses?

A. I think they are. I do not remember any of them being stated as profitable in themselves.

Q. But in connection with the main lines they may be?

A. Yes sir, they may be.

Q. Doesn't that all resolve itself into a question of bookkeeping, as to how you apportion the earnings or the rates
9178 between the main line and the branch line?

A. Well, it would resolve itself more into a question of policy of the owners of the property, than into a question of bookkeeping. If you measure or apportion your revenue by the miles, and give the branch all the miles it has made, you would call that, perhaps, a fair division. If you are going to take into consideration the density of traffic on the branch line, and give it more than its mileage proportion, then you would have to give it some kind of an arbitrary sum, an earning greater than earned on the through line.

In some of my experiences I have known cases where that has been done. I have known some of the transcontinental lines to allow a branch, say a mountain line, two miles to one, or 1½ miles to one. That might be simply a matter of promotion. Perhaps there was some ownership interest in that branch line in the mountain, which would demand that, especially if there was a competitive condition present, or something of that sort.

The real trouble when considering matters of this kind, is the fact that on the branch line, as a rule, the density of traffic is not sufficient to make them pay in themselves. If they had a density of traffic sufficient, then they would not be entitled to any constructive mileage to make them pay.

Q. If you had density of traffic sufficient, you could cut down the rate, and then again they would not pay. So
9179 doesn't it all finally depend on how you make the rate?

A. No sir, it does not depend altogether on that. It is a more complex question.

Q. Isn't it usual in the division of rates between straight lines, straight lines that together make up a through line, to allow a differential to the line on which the business originates?

A. Where that is done, there is some good business reason for it, and the line that originates the business is entitled to something for its terminal. We have been talking a great deal about terminal charges in this case. The originating line is allowed something for that.

Some times, where competitive conditions exist, and there is an arrangement between different roads, where one road is a very high grade line, it is given something more than a mileage proportion. The division of the rates, and the rate making questions, are surrounded by a multitude of conditions.

Q. Yes, and one of those conditions is that you allow the initial line something or terminal account. Now why don't you allow

the branch line something on terminal account. It has its terminals too, crude and simple though they may be, and aren't terminal expenses, relatively to the traffic handled, greater on the branch line than on the main line, and why not allow for them?

9180 A. It might be all right to do that.

Q. And where the branch line is owned by a separate interest, and it has got a chance to differ with two or more main lines, it always does get a differential, doesn't it?

A. Not always, but sometimes it does.

Q. Where it has a chance to differ?

A. I say, sometimes it does.

Q. Do you know of any case of a branch line on which business originates, which has a chance to deliver it to two or more large lines, that it does not get more than its mileage proportion?

A. I am not familiar with those things, Mr. Lehmann. That is with any specific case at the present time. I don't know of any.

Q. Your reason for saying that the branch lines which act as feeders, are of value to a railroad, is that in spite of the cost of operation, exceeding the revenue, and apportioned to the traffic coming over them, they are still valuable to the enterprise of which they are a part—considered as a whole?

A. I say there are, sometimes. Sometimes they are not, of course. There are roads that absolutely lose money constantly and under all circumstances. There are branch lines that in themselves do not pay, but contribute to and swell the earnings of the main line to such an extent as to be valuable as feeders. They increase the value of the trunk line if they are well constructed, and fur-

9181 nish a reasonable amount of tonnage.

Q. If the branch line neither directly nor indirectly benefited the enterprise as a whole, would you regard that as a mistake, or at least premature construction?

A. Yes sir, that would be premature construction, and if I owned the main line I might consider the branch as quite a valuable asset.

For instance, I can cite you a case of that kind, it is a very patent one in my opinion, and that is the central branch out here in Kansas. It is not in Missouri. There are four or five hundred miles of line there, which contribute very largely to the business of the Missouri Pacific, yet the central branch in and of itself I do not believe has ever been a profitable road. But I think it is a very valuable adjunct to the Missouri Pacific property. At least they thought enough of it to buy it and own it, and pay its interest on its bonds—whether they own it or not.

Q. To get your idea of it, you have been the General Manager of the Missouri Pacific Railway, and know something about that, do you recall the acquisition of that line, the one you have been speaking of as profitable to the Missouri Pacific?

A. Yes sir, I think it is.

Q. And yet on the basis of accounting you have been speaking of, it does not pay, and never has paid?

9182 A. I do not say it never has paid. It has paid something when business was good, but there have been times when it did not pay, and when it lost money. That road had two or three outlets. Now of course the Missouri Pacific has always carried the traffic originating on that road.

Q. No matter how many outlets that road had, with which it could dicker, the Missouri Pacific carried the traffic?

A. I presume the Missouri Pacific would be willing to meet the best bid it could get for its business from any other road, if it were an independent line.

Q. But it is not an independent line?

A. No sir, it is controlled by the Missouri Pacific.

Q. Therefore, an apportionment of rates between the main line of the Missouri Pacific and this branch line is a mere matter of bookkeeping, so far as concerns the Misouri Pacific?

A. Yes, they simply give it a mileage pro rata in their divisions.

Q. So it is a matter of taking the money out of one pocket and putting it in the other?

A. If it makes a loss, they simply make it up.

Q. And with any other road attempting to get its business it would find that the Missouri Pacific could make whatever rate it pleased, because it would be giving it to itself?

A. It could afford to.

9183 Q. What difference would it make, when in the end it would come back to the Missouri Pacific?

A. In the end it would come back, but we are talking now from a transportation standpoint.

Q. I am asking you how that could make a competitive condition?

A. There are at that point several ways in which the business of that line could be outletted.

Q. You say parallel and competing lines affect the value: they affect it to depreciate it?

A. Yes sir., they affect it the other way.

Q. And those are liable to be built at all times?

A. Yes sir.

Redirect examination.

By Mr. LATHROP:

Q. Did you speak in your direct examination upon this question of the element of value in the increase of density of traffic after a road was built?

A. Yes, I thought that an element of value which should be taken into account.

Q. Mr. Lehmann asked you if these things of replacement of the banks, and the various betterments to keep a road in condition were not paid as a part of the cost of operation, for maintenance of way: they really come out of the earnings which would otherwise go into the hands of the stockholders, don't they?

9184 A. Yes sir, if they are treated that way in the accounts.

Q. In regard to these industries along the line as being

elements in the value of a road, those industries supply not only the local traffic, but they supply a large amount of interstate traffic as well, don't they?

A. They supply general traffic.

Q. Both state and interstate?

A. Both state and interstate.

Q. By reason of their location, while such local traffic as they may supply in and of itself might not be profitable, taking into consideration both elements they supply, they are a distinctive element of value in an estimate of the value of the road as a property?

A. Yes sir, I think they are.

Q. Mr. Lehmann asked you as to the receipts from local traffic being largely unprofitable: those receipts, as you have a certain amount of fixed expenses in the way of operation and interest charges—while those local receipts, those receipts from local traffic, may not pay in and of themselves, they do contribute to pay a certain proportion of the running expenses, that are absolutely fixed, of the different roads, don't they?

A. Yes sir.

Q. Therefore, it is more valuable to have those earnings than not to have them at all?

A. Yes sir.

9185 Redirect examination.

By Mr. LEHMANN:

Q. In other words, you are treating the road as a unit?

A. We are talking about the business policy of the railroad, and treating it as a unit, and as a whole.

Q. And that is the way it is operated?

A. Yes sir.

Q. And that is the way you determine whether you are going to put on any more trains, or build any more branches, too, isn't it?

A. Yes sir.

9186 JAMES PEABODY recalled, testified in behalf of Complainants, as follows:

Direct examination.

By Mr. HAGERMAN:

Q. This exhibit 77, submitted a few minutes ago by the state's expert, divides the miscellaneous passenger earnings upon the basis of state and interstate passenger revenue. In our statement, for the reasons given this morning, we made no division of those, as there had been some controversy about that matter, and we thought it would make no difference. Now I would like to know if that apportionment is correct?

A. I do not think it is correct, for the reason that the rates in controversy here do not affect those earnings in any possible way. If the rates were three or even four cents per mile on the passenger business, it would not affect earnings from mail and express business.

Q. How ought they to be divided?

A. Miscellaneous earnings should be divided on the basis of expenses, so far as they can be located. Locate the expenses, so far as possible, and then divide the balance on the basis of the locatable expenses.

Q. That is the way you have divided them, between freight and passenger?

A. That has come to be the recognized method under the different classes of cost accounting.

9187 Q. What relation has it whether you get 2 or 4 cents per passenger, to the question of the mail?

A. Not a particle.

Q. How would you divide mail and express, which is the bulk of this miscellenaous stuff, between state and interstate?

A. I would not divide it.

Q. But if you were going to apportion it, if it became material to divide it, how would you do it?

A. I would ascertain as far as possible, all the expense attached to either, and divide the balance, that could not be located, on the basis of those that could be located.

Q. And is the same thing true as to miscellaneous freight?

A. Yes sir, it does not make any difference what your switching charge is, whether you charge one cent per hundred pounds or not.

Q. What do you say constitutes a profitable rate? At what point is it better to refuse business than to take it?

A. In the first place "proper" rate needs defining. In the railroad business we have what might be called three different rates, all of which are profitable in a sense. In the first place——

Mr. LEHMANN: Is this rebuttal testimony?

Mr. HAGERMAN: Yes sir.

Mr. LATHROP: Rebuttal of what you brought out from Mr.

9188 Doddridge.

Mr. LEHMANN: I object to that.

The COURT: Testimony will be received subject to the objection.

A. In the first place, a rate to be profitable must be sufficient to produce revenue enough to pay operating expenses, and a reasonable return on the investment. That, primarily, is the only rate that is profitable for a railroad.

However, there are a great many expenses that must go on, whether you get any business or not, and while a rate may not be profitable enough to pay operating expenses, and fixed charges, and a return on the investment, it would still be profitable to take the business at a lower rate, if it would pay anything over operating expenses, for the reason that interest is accruing all the time, and it would help to that extent to pay the interest, although it would not be sufficient to pay its proper proportion of interest. But it would be better to take it than not to take it.

Then we could go a step further——

The COURT: I wish you would abbreviate this. These long lectures on either side may be very interesting, I don't know, but they are getting very tiresome to me.

A. Only a word more.

Transportation expenses are those which are affected by
9189 direct movement of the traffic. While a railroad company would go into bankruptcy if it paid only transportation expenses, it is better to take it than not take it at all, because it will contribute something toward charges that are accruing all the time and must be paid.

Q. Has your road a record of the mileage traveled in transportation that was done over it before the two cent law went into effect?

A. The mileage?

Q. Yes, mileage books.

A. Not that I know of.

Q. You do know as a matter of fact that it issued mileage books at two cents per mile?

A. I presume it did, I never saw one sold.

Mr. CLARDY: 2½ cents a mile, wasn't it?

A. I don't know what the rate was. My impression is that a two cent rate prevailed on mileage books at times, but at what time and under what conditions I do not know.

Mr. HAGERMAN: My impression is they sold them at $50.00, and then they were subject to a rebate, provided the mileage was all used.

Mr. LEHMANN: I simply wanted to get it into the record. If Mr. Peabody is mistaken it can be corrected?

A. I don't know anything about it.

Q. You are the statistician of the company?

A. Yes sir.

9190 Q. Have you any statistics showing the volume of free transportation, excluding the travel of employés and their families, prior to the taking effect of the anti-pass legislation of the country?

A. No sir.

Q. That was never kept?

A. Not that I know of.

9191 Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the Atchison, Topeka & Santa Fe Railway Company for the year 1907, as shown on pages 52 to 56 inclusive of the printed record of proceedings of said Board, which said pages I now offer in evidence as Exhibit "B."

The pages referred to are marked "Defendant's Exhibit B."

Defendant's Exhibit "B" is in the words and figures following, to-wit:

NOTE.—In lieu of offering in evidence the Statement signed and filed by the Tax Commissioner of the Atchison, Topeka & Santa Fe Railway Company with the State Auditor, under sections 9339 and 9340 of the Revised Statutes of Missouri, with a description and valuation of the length and value of the tracks, depots, tanks and turntables, value in incorporated cities and towns, and description and value of rolling stock of the Company, for the purpose of taxation:

It is stipulated and agreed by the parties that the valuation placed

upon said property by the said statement and signed by the Tax Commissioner of the said road and filed with the State Auditor, was $2,320,150; and that in said statement no reference was made to nor valuation placed upon the item referred to by the State Board of Equalization as "all other property."

9192 NOTE.—Thereupon all parties rest in Case No. 2989.

9193 No. 2990.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial before the Honorable Smith McPherson, District Judge, on Tuesday, December 29, 1908, the parties appeared by their respective counsel, Mr. Frank Hagerman representing the Complainant and Messrs. F. Lehmann, S. B. Ladd and John Kennish representing the defendants.

NOTE.—It was stipulated and agreed by and between counsel representing the respective parties that this cause shall abide by the findings, orders and decrees in case No. 2996, being the case of the St. Louis, Iron Mountain & Southern Railway Company vs. John A. Knott, et al.

9194 No. 2991.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

No. 2992.

ST. LOUIS, KANSAS CITY & COLORADO RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

Upon suggestion of both sides the court directs that cases No. 2991 and No. 2992 be consolidated for trial purposes.

The above entitled causes coming on for trial under the aforesaid agreement as to consolidation before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Mr. Frank Hagerman, appearing in behalf of the complainants, and Messrs. Fred Lehmann, S. B. Ladd and John Kennish appearing in behalf of the defendants.

Thereupon to sustain the issues upon their part, the complainants offered the following evidence:

9195 FRANK NAY, a witness of lawful age, being duly produced, sworn and examined on the part of Complainants, testified as follows:

Direct examination.

By Mr. FRANK HAGERMAN:

Q. You are the General Auditor of the Chicago, Rock Island & Pacific Railway Company?

A. Yes sir.

Q. Since the institution of these suits, the St. Louis, Kansas City & Colorado Road has been acquired by a deed from the Rock Island, and it is stated here in the various statements made to the State Board, and the statement made up by you and checked over by the experts on the other side, that the two lines are included together?

A. Yes sir.

Q. Have you prepared a statement as to the earnings and expenses of the Rock Island, a copy of which has been delivered to the other side?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence the statement referred to.

The paper referred to is marked Complainant's Exhibit 78.

Complainant's Exhibit 78 is in the words and figures following to-wit:

9196 Q. This statement Exhibit 78 is prepared upon the general form, like the one introduced in the Santa Fe and the Frisco cases?

A. Yes sir.

Q. Is it correct?

A. Yes sir.

Q. It was prepared by you and under your supervision?

A. Yes sir.

Q. Take the state freight earnings, and without going into the detail, what is left after you deduct the operating expenses?

A. $25,998.10.

Q. And the period covered is what?

A. Three months, July to September, 1907, inclusive.

Q. What is the diminution in freight earnings?

A. $9,989.43.

Q. And that leaves how much before you allow anything for extra cost for doing state business or before you allow anything for interest upon the bonded debt?

A. $16,008.67.

Q. So that the state freight, according to the statement prepared along the lines of the formula we have been presenting here, is $16,008.67 to the good, before you come to any deduction for extra expenses, or any allowance for interest upon the bonded in-

9197 debtedness, or any return upon the value of the property?

A. That is right.

Q. You have estimated here the extra cost of doing the state business on the basis of this cost being 50% more, twice as much, and three times as much?

A. Yes sir.

Q. At 50% more what would be the extra cost?

A. At 50% more the extra cost would be $41,845.41.

Q. And that far you would be left practically $25,000 in the hole?

A. Yes sir.

Q. What percentage on the revenue basis does the state freight represent?

A. Of the total?

Q. Yes.

A. 13.58%.

Q. Your interest for the three months was how much, the total?

A. In Missouri it was $183,409.61 for the three months.

Q. And that percentage of it, 13.58 is how much?

A. It is $24,907.02.

Q. Allowing 50% more increased cost for doing the state freight business, you say you would be in the hole $25,000.

A. Yes.

9198 Q. Just leave out for a moment, according to these figures, the extra cost, and answer upon the theory of not calculating anything for extra cost, and how much short are you of meeting the actual interest payment from your state freight receipts?

A. About $8,900.

Q. And if you take the valuation of the State Board for assessment purposes, at one-third of the value, what is the sum that would represent at 6% annual interest?

A. $168,891.62.

Q. That is to say, 6% return upon that valuation for this portion of the property, on the assessment of the State Board, $168,891.62, and you have, not counting anything for interest or extra cost only $16,008.67?

A. Yes sir.

Q. Now turn to your passenger part of this exhibit: the state passenger earnings were how much?

A. For the period mentioned, they were $114,853.04.

Q. Take the expenses, without allowing anything for extra cost, without allowing anything for interest, and how do you stand upon the state passenger business?

A. We would be in the hole to start with.

Q. How much?

A. About $28,000.

9199 Q That is to say, before you get to any extra cost, or any return upon the investment, you have paid out for expenses $28,000 more than you have received?

A. Yes sir.

Q. If you made any allowance for extra cost, what would be the result at say 15% extra cost of doing the state over the interstate business; how much would that increase the loss?

A. That would add to the cost $10,931.33, and would increase the deficit to about $39,000.

Q. You have shown the extra cost of doing the state business, as ascertained on the basis of 15%, 25%, 35%, and 50%; now give us what it would be at 50%, so as to get the average?

A. At 50% the amount of increased cost would be $32,092.87.

Q. You started out with a loss of $28,000 before you got to that?

A. Yes sir, and that would increase the deficit to about —.

Q. Suppose you did not allow anything for increased cost, and it was merely a question of meeting the interest: how much interest would there be to meet?

A. $18,946.21.

Q. And instead of having anything with which to meet that amount of interest, you are short the amount you stated?

A. Yes sir.

9200 Q. Suppose you do not allow anything for extra cost, and do not allow anything for interest, but take the value of the property at a 6% return, what should you receive on that basis?

A. The annual interest would be $128,472.05, and for this period it would be one fourth that, or $32,000.

Q. And before you get to any of that, or make any allowance for extra cost, or any allowance for interest, you are $28,000 in the hole?

A. Yes sir.

Q. The other figures you gave before, didn't you?

A. Yes sir.

Q. Have you also prepared a statement along the lines of the statement you prepared in the Frisco case, applying this principle or basis to the commodities affected by the act?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence that paper.

The paper referred to is marked Complainant's Exhibit No. 79. Complainant's Exhibit 79 is in the words and figures following to wit:

9201 Q. This Exhibit 79 is prepared upon the same theory that you prepared Exhibit 56 in the Frisco case?

A. Yes sir, I prepared a similar statement to that prepared in the Frisco case.

Q. You are familiar with all the accounts of the Rock Island Company?

A. Yes sir.

Q. And you are familiar with the cost of the different properties that have been added since you have been there?

A. Yes sir, since I have been with the road.

Q. How long has that been?

A. Five years since last April, about six years.

Q. What would you say as to the value of the property equalling this valuation fixed by the State Board?

Mr. LEHMANN: That is objected to on the ground that the witness is not shown to be competent to speak as to the value of such property.

The COURT: The evidence will be received subject to the objection.

Mr. HAGERMAN: Are you familiar enough with it to have a general idea of the value of the property?

A. I think I am familiar enough with it to say that it is certainly not less than the $20,000.

Q. In this statement exhibit 78, on page 4, you give the amount of the assessment, and the multiple of three, and that ag-
9202 gregates how much?

A. The assessment of the State Board for 1907 was $6,-909,328.45, and multiplied by three that gives $20,727,985.35.

Q. Your road within a very short time, within the last two or three years practically, has built the so-called Colorado line from Union out how far is it from St. Louis?

A. About 60 or 70 miles.

Q. And it is about 300 miles from St. Louis to Kansas City?

A. Yes sir.

Q. And the part from Union to Kansas City the Rock Island Company built?

A. Yes sir.

Q. It was built by a Construction Company of which I was the General Auditor and kept the accounts.

Q. What was the actual cost per mile?

A. That ran about $60,000 per mile.

Q. And that was built during what period of time?

A. That was built in 1903, 1904 and 1905.

Q. The purpose of building that line was to have a first class Rock Island line leading from St. Louis to the west?

A. Yes sir.

Q. Where it comes to Kansas City it joints the main line of the Frisco running out to Colorado and down to Texas?

A. Yes sir.

9203 Cross-examination.

By Mr. LEHMANN:

Q. I do not understabd, Mr. May, what was the cost of that road?

A. I said roughly between $50,000 and $60,000.

Q. How was that paid for?

A. It was paid in cash.

Q. That much cash?

A. Yes sir, for labor and material.

Q. And the company was bonded for that much? Who was that paid to, to the Construction Company?

A. No sir, that was paid by the Construction Company to the laborers and supply men from whom they bought the materials.

Q. And the construction company paid out between $50,000 and $60,000 per mile for the construction of the way?

A. From the point where they began at Union, to Kansas City.
Q. And that is simply for the construction of way?
A. Yes—well, that includes some equipment.
Q. It includes how much equipment?
A. I think I can give you some figures on that. I have here a statement which is a little incomplete, but I have the total of the expenditures on way, as you phrased it, amounting to I believe a little over $10,000,000.

9204 The COURT:

Q. For how many miles?
A. That would be for a little over 200 miles. Then there was equipment that went in there.
Mr. LEHMANN: Didn't you have your distance to Union a little too long? I merely suggest that, for my impression is it is about 50 or 55 miles from St. Louis. I am not sure, and simply call it to your attention?
A. The line I really have reference to is from Bell.
Q. How many miles are covered by those $10,000,000?
A. This statement I have here does not show, but I remember that so distinctly because we had it divided in two sections, Bell to Strasburg, and Strasburg to Kansas City, and one of those sections has I think four tunnels. It is more expensive than the ordinary construction, certainly. I think that section cost nearly $70,000 a mile, and the other cost in the neighborhood of $50,000 a mile. I have never made an exact computation of it, but I say between $50,000 and $60,000, and it might run as low as $50,000.
Q. It is exceptionally expensive construction?
A. Yes sir, but on the other hand that includes but a very small amount of equipment.
Q. That line there is exceptional, isn't it, it is built through a rough hilly country, very hilly?
A. Yes sir, the construction of it would be more expensive.
Q. Is it on the north or on the south side of the river?

9205 Mr. HAGERMAN:

Q. How far south of Sedalia does it cross?
A. I don't know, I shouldn't think it is very far. About 12 or 15 miles.
Q. It practically parallels the Missouri Pacific?
A. Yes sir.
Mr. LEHMANN: It practically parallels the Missouri Pacific from St. Louis to Kansas City?
A. Yes sir.
Q. Your company acquired that line about 1903, didn't it?
A. Yes sir.
Q. Instead of 1902?
A. It acquired the stock between 1902 and 1903.
Q. It was then known as the St. Louis, Kansas City and Colorado road, and extended from St. Louis to Union, and a little beyond.

The people who had bought it from the Santa Fe had extended it some distance beyond Union?

A. Yes sir.

Q. And then your people came in and acquired the stock, and later transferred the property itself?

A. Yes sir, they had worked it as far as Bell. I think they had done some work there.

Q. And the Rock Island interest acquired it either in 1902 or 1903. It was during the World's Fair Construction period?

9206 A. Yes sir. I recall it because it was just at the time I came to the Rock Island in 1903.

Q. And I recall it because of the terminal relations to the World's Fair. It was either 1902 or 1903?

A. Yes sir.

Q. Your Exhibit 78 is made up from figures taken from the books of your company?

A. Yes sir.

Mr. HAGERMAN: Exhibit 78, Mr. Lehmann, is exactly on the same form as the Frisco Exhibit No. 2, and the Santa Fe Exhibit No. 45.

Mr. LEHMANN:

Q. And then you have taken those figures and have made estimates on bases which you have arbitrarily assumed?

A. As to increased cost, yes.

Q. And the statement shows for itself in that respect what you have done with the figures?

A. Yes sir.

Q. You have assumed in this statement an increased cost of doing state business over interstate, both as to passenger and freight?

A. Yes sir.

Q. You have assumed that in here?

A. Yes sir.

Q. On different percentages?

9207 A. Yes sir.

Q. Have you any figures, does your company keep any accounts, which would show with any sort of precision, how many passengers on the average are carried in the ordinary day coach, and those that are carried on the average in coaches of the Pullman type?

A. No sir.

Q. Coaches of the Pullman type are of course used more on your through trains and for interstate traffic, and the ordinary day coach is used more for local traffic. I do not mean used exclusively in either traffic?

A. Our records do not show, and I have not been on the road enough to testify to that.

Q. So what is done in that way, how many passengers miles the car makes on an average in a day, a car of these different types, you cannot tell?

A. No sir.

Q. I was not here when you were put on first, Mr. Nay. But you are the auditor of the company?

A. Yes sir.

Q. Have you any records or figures which will show with any kind of precision the efficiency of a car in inter-state freight trade, as compared with the efficiency of a car in state traffic?

A. No sir.

Q. Have you any records which show the relative number
9208 of through trains and local trains engaged in freight traffic, in Missouri, over the Rock Island line daily?

A. No sir, that would be shown by the time card.

Q. The local trains run on a fixed schedule?

A. Those that are called local in freight traffic.

Q. Like the passenger trains in that respect?

A. Yes sir.

Q. They start at a certain time, and go on a certain schedule to a certain place?

A. Yes sir.

Q. Your through freight trains run regardless of the schedule?

A. I think there are certain freight trains that run at a certain time.

Q. That are also scheduled?

A. Yes sir, also scheduled. But I think as a rule they run when they have a load.

Q. Can you tell how fully the running of those through freight trains keep the car occupied, and how much time the car is left unoccupied in waiting to make up a through train to run?

A. No sir, I have compiled no information to show that.

Q. You, I take it, have regard in the operations of your road, more to local and through trains than you have to state and interstate trains?

9209 A. Yes sir.

Q. In the actual operation of the road, state lines are imaginary lines?

A. Yes sir.

Q. Most of the traffic handled on your through trains is inter-state traffic, I take it?

A. Yes sir, we have not made a test, but I will assume that is true without question.

Q. Isn't it also true that most of the traffic handled on the so-called local freight trains is interstate traffic?

A. Well, I have made no figures to develop that, but I think that is in line with much of the testimony given here.

Q. Do you know whether or not your car-load lots in state traffic are as heavily loaded as your car-load lots in interstate traffic?

A. No sir, I have made no investigation as to that.

Q. Do you keep a separate account with each freight car?

A. Only as to its movements. That is, when a car moves from this point to that a record is made; but there is no record made of what the car contains. It simply shows whether it is loaded or empty.

Q. But not beyond that?

A. No sir.

Q. Do you assign distinctly and definitely, cars to through service and to local service, or do you use the same car interchangeably in both services, as may be most convenient?

9210 A. Of course I have nothing to do with the distribution of cars, but I understand, as a general proposition they use them as may be most convenient.

Q. In other words, your freight cars run in whatever service convenience may require?

A. Yes sir.

Q. On the other hand, your Pullman cars are definitely and distinctly located?

A. Yes sir.

Q. And you keep the same cars on those runs for quite a long time?

A. Yes sir, practically a long time.

Q. Practically until you shunt them off onto the branch, I suppose?

A. We send them east. The eastern roads have the poorest Pullmans.

Q. The division you have made of operating expenses has been simply arbitrary, so far as you are concerned. That is, you have taken a basis which has been furnished you, or have you made up a basis of division yourself?

A. Do you refer to the division between state and interstate?

Q. Let us say as between state and interstate?

A. Of course that division has been made on the basis of revenue.

Q. On the basis of the revenue?

9211 A. Yes sir, where we divided the expense between state and interstate.

Q. You have first apportioned the expenses on the basis of the revenue, both in the passenger and the freight service?

A. No sir, the first division was between freight and passenger, as shown on sheet 2.

Mr. HAGERMAN: They make an actual division the best they can between freight and passenger?

A. On this, we took the expenses that were entirely freight, like repairs to freight cars, and the wages of freight conductors, and so on, and put them in the freight column; and we did the same thing with the passenger.

Mr. LEHMANN: In other words, you allocated the expense by first assigning to each what you could do definitely?

A. Yes sir.

Mr. HAGERMAN: Schedule two shows the formula by which they divided it.

Mr. LEHMANN: Then you show here the basis upon which you made the other divisions?

A. Yes sir.

Q. Now how do you divide the maintenance of way and structures as between freight and passengers?

A. On the basis of train mileage.

Q. Why wouldn't that be better upon a wheelage basis, Mr. Nay?

9212 A. We have information from engineers, who are supposed to know, to the effect that the greater speed of the passenger trains, even though it has fewer cars, does as much damage as does a freight train with more cars.

Q. You accepted your basis of division arbitrarily?

A. Yes sir. Our division would be arbitrary.

Q. What I mean is, you take your suggestion from some one else as to that?

A. Yes sir.

Q. And you have not really determined that for yourself as being a proper basis?

—. No sir, because I am not an engineer, and have not had experience on the track to know what really does damage it. I simply got that information and used that basis.

Q. I merely wanted to disclose that fact.

Your miscellaneous revenue is what proportion of the entire revenue, quite small?

A. About 6%.

Q. You apportion that first so far as you can do so directly. You did that?

A. In this exhibit we do not apportion miscellaneous between state and interstate. We set aside from our total operating expenses, and apportion thereof on the basis of the total revenue from miscellaneous sources. That is to say we set aside in toto about 60% of that operating expense for this 60% of revenue. Then we

9213 had left what represented the operating expense of the straight passenger and freight business.

Q. You really eliminated that altogether?

A. That was the idea?

Q. You thought if you eliminated the proper proportion of expense, then you could eliminate the proportion of revenue also?

A. Yes sir. We felt that by doing that we would be more apt to reach correct conclusions, and the amount of miscellaneous being so small, only 6% of the total earnings, it was better to eliminate that much of the expenses, and then proceed with the other 94% on some scientific basis.

Q. Your company used to sell mileage tickets, Mr. Nay?

A. Yes sir.

Q. At 2 cents per mile for 2,000 mile tickets?

A. Yes sir.

Q. It does not do it now to any great extent, I take it?

A. I understand there are not many sold. I understand some drummers carry them as a matter of convenience.

Q. Are you able to state what percentage of your passenger business was done on those mileage books prior to the enactment or taking effect of the two cent law?

A. No sir, I am not. We did not keep the earnings from those books separate.

Q. A good deal of your passenger business was a part of a longer haul than your own line furnished, wasn't it?

It was an interstate haul, that is, where you made up a
9214 link in the chain for persons traveling from the east to the far west?

A. Taking our line at St. Louis, you mean, the St. Louis line?

Q. Any line.

A. I don't believe we get a great deal of that class of business from St. Louis, and the business that came from the northeast would pass through on our own line, both sides of the state.

Q. And from beginning to the end of the transportation of the passenger?

A. Yes sir, so far as the states on either side of Missouri are concerned.

Q. You have no record of the operation of any of your freight trains for any particular period, showing the relative amount of state and interstate freight handled on your line?

A. No sir. I may say, Mr. Lehmann, we have started a test of that kind in Arkansas, but we have not completed it.

Redirect examination.

By Mr. HAGERMAN:

Q. You said there was some extra hard work in the construction of this St. Louis & Kansas City line?

A. Yes sir.

Q. That was true only for a short way, wasn't it? When you get out to Sedalia and that section, it is practically in prairie
9215 country, isn't it?

A. Yes sir.

Q. And that is the largest part of the road, isn't it?

—. ——.

Q. But down in the foothills of the Ozarks, it was an expensive proposition?

A. Yes sir, and that is why I said it was divided into two sections, one costing practically $70,000 per mile, and the other part much less.

NOTE.—It is agreed by and between counsel that the testimony of Mr. W. B. Doddridge, as to the value of the different roads in question, shall be taken in one case, and said testimony may be used in each and all of the other 17 cases.

With the exception of said testimony of W. B. Doddridge the complainants in the case now on hearing rest.

9216 *Testimony for Defendants.*

A. P. TALIAFERRO a witness of lawful age, being duly produced, sworn and examined on the part of defendants, testified as follows:

Direct examination.

By Mr. LEHMANN:

Q. Have you taken the statement Exhibit 78, of the Rock Island Company, and predicated upon it estimates of your own, similar to exhibits 61 and 64 introduced in the Frisco case, and Exhibits 76 and 77 in the Santa Fe case?

A. Yes sir.

Q. I will ask you to look at the paper, which I will ask the stenographer to mark Exhibit 80, and say whether that is the statement prepared by you relative to the passenger service?

A. It is.

Mr. LEHMANN: I will offer in evidence the paper referred to by the witness.

The paper referred to is marked Defendant's Exihibit 80.

Defendant's Exhibit 80 is in the words and figures following to-wit:

9217 Q. I will ask you to look *up* the paper, which I will ask the stenographer to mark Exhibit 81: is that a statement with reference to the freight business?

A. Yes sir.

The paper referred to is marked Complainant's Exhibit 81.

Complainant's Exhibit 81 is in the words and figures following to-wit:

9218 Cross-examination.

By Mr. HAGERMAN:

Q. The cross-examination as to Exhibits 81 and 64 in the Frisco case, and as to Exhibits 76 and 77 in the Santa Fe case, is applicable to this situation, with the exception of the figures you have compiled?

A. Yes sir, they are made on the same lines.

Q. And what we talked about as to the others would be applicable to these exhibits 80 and 81?

A. Yes sir.

9219 Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the Chicago, Rock Island & Pacific Railway Company and the St. Louis, Kansas City & Colorado Railway Company for the year 1907, as shown on pages 109 and 117 inclusive of the printed record of proceedings of said Board, which said pages I now offer in evidence as Exhibit "C."

The pages referred to are marked "Defendant's Exhibit "C."

Dedendant's Exhibit "C" is in the words and figures following, to-wit:

NOTE.—In lieu of offering in evidence the Statement signed and filed by the Tax Commissioner of the Chicago, Rock Island & Pacific Railway Company and the St. Louis, Kansas City & Colorado Railway Company with the State Auditor, under Sections 9339 and 9340 of the Revised Statutes of Missouri, with the description and valuation of the length and value of the tracks, depots, tanks and turntables, value in incorporated cities and towns, and description and value of rolling stock of the company, for the purpose of taxation:

It is stipulated and agreed by the parties that the valuation placed upon said property by the said Statement and signed by the Tax Commissioner of the said roads and filed with the State Auditor, was $2,646,654; and that in said statement no reference was made to nor valuation placed upon the item referred to by the State Board of Equalization as "all other property."

9220 Defendants here rest.

Both sides announce Cases 2991 and 2992, consolidated, as fully submitted.

The usual hour having arrived, an adjournment was here taken until to-morrow morning, Tuesday, December 29, 1908, at 9 o'clock A. M.

9221 No. 2993.

KANSAS CITY SOUTHERN RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

KANSAS CITY, MO., *Dec.* 29, 1908.

The above entitled cause coming on for trial on this day, before the Honorable Smith McPherson, District Judge, the parties appearing by their respective counsel, Mr. Frank Hagerman representing the complainant, and Messrs. F. Lehmann, J. Kennish and S. B. Ladd, representing the defendants.

Thereupon to sustain the issues upon its part, the complainant introduced the following evidence.

9222 R. J. MCCARTY a witness of lawful age, being duly produced, sworn and examined on the part of complainant, testified as follows:

Direct examination.

By Mr. FRANK HAGERMAN:

Q. Mr. McCarty you are the General Auditor of the Kansas City Southern?

A. I am an auditor, but not General Auditor.

Q. You are Vice President of that Company?
A. Yes sir.
Q. You have been familiar with that road from the time of its organization?
A. Yes sir.
Q. In other words, during the Receivership of the Kansas City, Ft. Scott & Gulf, and prior to the Receivership?
A. I was Auditor of the Pittsburg & Gulf.
Q. And then you were auditor and practically the main assistant, so far as the accounting of the roads, and the financial concerns of the road, through the Receivership?
A. Yes sir.
Q. And this property was reorganized, and bought in in the name of the Kansas City Southern?
A. Yes sir.
Q. You did prepare and submit some time ago to the State a statement of the Kansas City Southern for a period of six months, upon this formula, that the different experts have been
9223 putting in here in evidence?
A. Yes sir.

Mr. HAGERMAN: I will offer in evidence this statement.
The paper referred to is marked Complainant's Exhibit No. 82.
Complainant's Exhibit No. 82 is in the words and figures following to-wit:

9224 The COURT: I will ask you, Mr. McCarty, while my mind is on it, how many miles of your road are in Missouri?
A. There are 174 miles of main line in Missouri.
Q. Between Kansas City and the Southern line of Missouri?
A. Yes sir.
Q. It starts in Missouri, runs out into Kansas, and then comes back into Missouri again?
A. Yes sir.
Q. Does it get into the Indian Territory after it leaves Missouri?
A. No sir, it goes into Arkansas.
Q. It gets in there after it leaves Arkansas?
A. It runs across just a little corner of Arkansas.
Q. You have no branches?
A. None in Missouri, except the little branch out here at Independence, running out two or three miles.
Q. You have a branch from East Kansas City to Independence?
A. Yes sir, three or four miles long.

Mr. HAGERMAN:

Q. This statement you have presented, and which has been marked complainant's Exhibit 82, is a correct statement?
A. Yes sir.
Q. And the experts for the State have been to your office checking it over?
A. Yes sir.

9225 Q. Without following it in detail, because it ought to speak for itself, but just so the judge can carry in mind what the situation is in this road, just turn to page 3 of this Statement with me:

What is the surplus left from the state freight earnings after you deduct the operating expenses, for the period of six months?

A. $12,747.80.

Q. And the diminution in earnings which would have existed had they charged the rates fixed by the law of 1907, were what?

A. $2,957.68.

Q. That leave- then, before you come to the question of interest, return on the investment, or extra cost a surplus of how much on state freight?

A. $9,790.22.

Q. There is a calculation made here upon the basis that if the cost were 50% more, if it were twice as much, and if it were three times as much: now take the minimum of 50% more for doing the state business than the interstate business and would that more than wipe out the surplus?

A. Yes sir, 50% more would make a charge of $11,735.85.

Q. How much would be the Missouri proportion on the revenue basis of the actual interest for six months?

A. $5,295.38.

9226 Q. And that added to the $2,000 deficit would leave over $7,000 as to interest?

A. A deficit of $7,241.

Q. Suppose we take the valuation fixed by the State Board upon the basis we have been talking about, what would be the same rating upon a revenue basis, the portion assignable to state freight?

A. $13,768.01.

Q. So if that were added to the 50% extra cost, the deficit on that theory would be about $15,000?

A. No sir, it would be about $20,000.

Q. That is counting interest?

A. Yes sir.

Q. But exclusive of interest?

A. Yes sir, exclusive of interest it would be about $15,000.

Q. Now turn to the passenger earnings: after you deduct the expenses, exclusive of interest, what have you left upon the state passenger earnings for this three months' period?

A. $3,194.22.

Q. You have tabulated here an increased cost for doing the state business over the interstate, upon the basis of 15%, 25%, 35% and 50%?

A. Yes sir.

9227 Q. Turn for a moment to the minimum, 15%; that is $6.00 less or $5.00 less?

A. $5.63 would represent the gain.

Q. Assigning the proportion upon the revenue basis, of the interest to the state passenger business, what would be the result?

A. The interest amounts to $4,365.11.

Q. So without any extra cost, this surplus would be wiped out, and lack $1,200 of meeting that interest?
A. It would lack $4,360 of meeting the interest.
Q. That is, when you allow something for extra cost. But suppose you allow nothing for extra cost?
A. I allowed 15% for extra cost.
Q. Yes, but I am now eliminating that for the purpose of this question. You have estimated there the figures from 15% to 50%?
A. That is right, it would be about $1200 less.
Q. Less than enough to pay the interest?
A. Yes sir.
Q. That is allowing nothing for extra cost, that $1200 deficit?
A. Yes.

The COURT:

Q. That is taking state and interstate at the same cost?
A. Yes.
Q. And allowing nothing for interest?

9228 Mr. HAGERMAN: Allowing nothing for interest, it is $1300 to the good. Assuming the cost to be just the same, then they lack $1200 in a period of six months of meeting the interest charge.
The COURT: There would be some profit, but after applying that, they would lack $1200 of meeting the interest. Is that right?
A. Yes sir.

Mr. HAGERMAN:

Q. Take the assessment by the State Board of Equalization, and what would be the return there?
A. $11,349.31.
Q. So if we were dealing with the question of simply a return upon that valuation how much short would you be, allowing nothing for interest, and allowing nothing for extra cost?
A. $8,200.00.
Q. I believe your books have not been so kept that you can show the rate you received per mile for passenger business in Missouri prior to the passage of the two cent law. But you have the figure for the system both before and since that time?
A. Yes sir.
Q. And your road runs through considerable territory where a 2 cent fare is not in force?
A. Yes sir.
Q. You have prepared for me a figure showing what were the earnings upon the system?

9229 A. Yes sir.
Q. You have a three cent fare in some places, you are authorized to charge not to exceed that?
A. We have a three cent fare in some places, and in some places we have a two cent fare.
Q. In Missouri and Arkansas you have two cents, and it is three cents in the other places?
A. Yes sir.

Q. Is this a tabulated statement showing the figures upon the system, for the purposes of comparison?

A. These are the figures for the system for the fiscal year ending June 30, 1907, and the fiscal year ending June 30, 1908.

Q. What was it for the year ending June 30, 1907?

A. The average rate per passenger per mile was 2.377 cents.

Q. And on the system it is still over 2 cents now, because of this charge of 3 cents in some of the states. But how much has the two cent fare reduced it upon the entire system?

A. .062 cents.

Q. Have you figures showing the number of passenger mile you have carried in Missouri for those six months?

A. I don't think I have, no sir.

9230 Mr. HAGERMAN: I will mark it on this paper, which I will now offer in evidence.

The paper referred to is marked Complainant's Exhibit 83.

Complainant's Exhibit 83 is in the words and figures following to-wit:

9231 Cross-examination.

By Mr. S. B. LADD:

Q. This statement covers a six months' period, I believe?

A. Yes sir.

Q. From January to June, 1908, both inclusive?

A. Yes sir.

Q. What were your total earnings in the State of Missouri during that period, both freight and passenger, state and interstate?

A. The total freight was $885,000——

Q. Perhaps I can help you. Look at page 2, and if I am not mistaken it is footed up there?

A. Yes, it is $1,046,388.69.

Q. What were your total operating expenses in the state of Missouri both freight and passenger, during that period, including taxes, rentals and hire of equipment?

A. $738,799.17.

Q. What was the percentage then of your operating expenses so ulated or stated to your gross earnings?

A. You want them figured exactly?

A. No, approximately, but within 1% say, if you can.

A. They would be 73%.

Q. Is it as much as that?

A. Yes sir.

Q. Have you it on some page of that exhibit there?

A. No sir, but I can tell by looking, $738,000 against

9232 over a million.

Q. I don't make it quite so much. Would you mind figuring that?

A. I can figure it exactly if you desire.

Q. I wish you would do so.

A. (after figuring). 70.6.

Q. How many miles of road did you say you had in Missouri, approximately?
A. 174½. That is of main line.
Q. You run south from this point, don't you?
A. Yes.
Q. How far south do you run before you leave the state and get over into Kansas?
A. I don't remember exactly.
Q. Approximately?
A. I think it is about 112 miles.
Q. Then you swing off to the west, and run in the State of Kansas, for awhile, how far?
A. I think we run there about 18 miles.
Q. And then come back to Missouri?
A. Yes.
Q. And then run to the southern line of the State of Missouri?
A. Yes.
Q. And then run into the State of Arkansas?
9233 A. Yes sir. One corner of Arkansas.
Q. Do you run through the northwest corner of Arkansas?
A. Yes sir.
Q. About how many miles in Arkansas?
A. It is only a few miles across that corner.
Q. And then you go into Oklahoma?
A. Yes sir, then go into Oklahoma for quite a distance, and then come back into Arkansas.
Q. Then how far do you run in Arkansas after you come back?
A. For 100 miles or more.
Q. And then what State do you enter, Louisiana?
A. Texas.
Q. And then how far do you run in Texas?
A. About 40 miles, something like 40 miles.
Q. And then where do you go?
A. And then we go across the southwest corner of Arkansas for a mile or so.
Q. And then how far do you go in Arkansas?
A. Oh, it is just about a mile or so, just tipping off the northwest corner of the State, and then into Texas.
Q. And then after you leave Arkansas what State do you enter?
A. Louisiana.
Q. How many miles do you run in Louisiana?
A. I cannot tell exactly.

9234 The COURT:

Q. Approximately?
A. I can look in the book and see.
Mr. LADD: Your course through Louisiana is in a general southerly direction, isn't it?
A. Yes sir, a general southerly direction. Here it is on this map (indicating).
Q. What is your mileage in Louisiana?
A. The total mileage in Louisiana is 222.79 miles.

Q. Then you leave Louisiana and go into Texas?
A. Yes sir.
Q. And then where do you go?
A. We remain in Texas clear to the Gulf.
Q. How many miles is that?
A. 40 odd miles.

Mr. HAGERMAN: Have you one of those maps, Mr. McCarty, that can be attached as an exhibit?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence the map referred to by the witness.

The map referred to is marked Complainant's Exhibit No. 84.

Complainant's Exhibit 84 is in the words and figures following to-wit:

9235 Mr. LADD:

Q. Mr. McCarty, what is the most important and largest in volume of revenue items of your freight traffic?
A. Lumber.
Q. Coming from the south north?
A. Yes sir.
Q. Your business, even in Missouri, is very largely an interstate business for that reason, isn't it?
A. Yes sir.
Q. I see according to the statement which has been filed here that your state freight business during this period amounted to only about $39,000, while your interstate business was over $700,000?
A. Yes sir.
Q. And you think the transportation of lumber from the yellow pine regions of the south to the north accounts for that in a very large part?
A. No sir, not altogether.
Q. A large part?
A. Yes sir, it accounts for a large part. But we go out of Kansas City here to Pittsburg, and that makes a good deal of the business interstate that would otherwise be state business.
Q. You mean there is a part of your business which starts in Missouri and also ends in Missouri, which goes out of the state en-route?
A. Yes sir.

9236 Q. Is that a large part?
A. Yes sir, a considerable part of the state business. For instance, all the business from here to Joplin, and all the business from here to Pittsburg. Those are the principal points on our line.
Q. What part of this $700,000 of interstate revenue would you say was made up of freight starting in Missouri and ending in Missouri, but on its route passing into the State of Kansas?
A. I couldn't tell you that, Mr. Ladd, it would be a wild guess, and I wouldn't like to say. We would have to determine it by statistics.

NOTE.—With the exception of the testimony of W. B. Doddridge, to be called by complainant to testify as to the value of the property, with the privilege given defendants to rebut said testimony, should they so desire, the complainants here rest.

9237 *Testimony in Behalf of Defendants.*

A. P. TALIAFERRO a witness of lawful age, being duly produced, sworn and examined testified in behalf of the defendants, as follows:

Direct examination.

By Mr. S. B. LADD:

Q. Have you prepared some calculations upon the same line as those prepared by you and offered by the State in the case of the St. Louis & San Francisco Railway Company?

A. Yes sir.

Q. Corresponding with our exhibits 61 and 64 in the Frisco case?

A. Yes sir.

Q. You have the statement referred to with you?

A. Yes.

Mr. LADD: I will offer in evidence this statement.

The paper referred to is marked Defendants' Exhibit 85.

Defendants' Exhibit No. 85 is in the words and figures following to-wit:

9238 Q. This Exhibit 85 refers to the passenger business, does it?

A. Yes sir.

Q. Have you also prepared a statement which refers to the freight branch of the subject?

A. Yes sir.

Mr. LADD: I will offer in evidence that statement.

The statement referred to is marked Defendant's Exhibit 86.

Defendant's Exhibit 86 is in the words and figures following to-wit:

9239 Q. The figures contained in those statements are taken in a large part from the statement filed by the Kansas City Southern, are they not?

A. Yes.

Q. That is, as to earnings, expenses, and so on?

A. Yes.

Q. And the division between state and interstate?

A. Yes sir.

Q. Those exhibits, which I have just offered, in so far as they depart from any figures contained in the Kansas City Southern Exhibit, so shows on the face of your exhibits, do they not?

A. Yes sir.

Cross-examination.

By Mr. HAGERMAN:

Q. The same observations you made in cross examination as to exhibits 61 and 64, in the Frisco case, would be applicable to these exhibits?

A. Yes sir.

9240 Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the Kansas City Southern Railway Company for the year 1907, as shown on pages 120 to 122 inclusive, of the printed record of proceedings of said Board, which said pages I now offer in evidence as Exhibit "D."

The pages referred to are marked "Defendant's Exhibit D."

Defendant's Exhibit "D" is in the words and figures following, to-wit:

NOTE.—In lieu of offering in evidence the Statement signed and filed by the Tax Commissioner of the Kansas City Southern Railway Company with the State Auditor, under Sections 9339 and 9340 of the Revised Statutes of Missouri, with a description and valuation of the length and value of the tracks, depots, tanks and turntables, value in incorporated cities and towns, and description and value of rolling stock of the Company, for the purpose of taxation:

It is stipulated and agreed by the parties that the valuation placed upon said property by the said statement and signed by the Tax Commissioner of the said road and filed with the State Auditor, was $1,771,424.37; and that in said statement no reference was made to nor valuation placed upon the item referred to by the State Board of Equalization as "all other property."

9241 NOTE.—With the exception of the testimony of W. B. Doddridge, heretofore referred to, the parties Complainant and Defendant rest, and Case 2993 is considered as fully submitted.

9242 No. 2994.

ST. LOUIS & HANNIBAL RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson District Judge, the parties appearing by their respective counsel, Mr. Frank Hagerman representing the complainant, and Messrs. F. Lehmann, J. Kennish and S. B. Ladd representing the defendants.

Thereupon to sustain the issues upon its part, the complainant introduced the following evidence:

9243 J. M. WORLAND a witness of lawful age, being duly produced, sworn and examined on the part of the Complainant, testified as follows:

Direct examination.

By Mr. HAGERMAN:

Q. You are the auditor of the St. Louis & Hannibal Railway Company?
A. Yes sir.
Q. And that road extends from where to where?
A. From Hannibal south to Gilmore, in connection with the Wabash, and a branch running west of Perry, 19 miles.
Q. And how much mileage have you?
A. It is 103.5 miles. There is a little fraction, there but it is about 105 miles.

The COURT:

Q. And every foot of it is in the State of Missouri.
A. Yes sir.

Mr. HAGERMAN:

Q. You have put your figures on a like form to these other Auditors?
A. Yes sir.
Q. And are they correct?
A. Yes sir.
Q. Without following these figures through, take your state freight, and after deducting the actual operating expenses, amounted to what for the year ending June 30, 1908?
9244 A. After deducting operating expenses it left $11,593.04.
Q. And how much would the diminution in state freight earnings have been had you charged the rates fixed by the Maximum Freight Law of 1907?
A. $15,126.02.
Q. Without following this statement any further, then you have lost on the state freight business $3,522.98, is that right?
A. Yes.
Q. Without taking anything for extra cost, or anything for interest, or anything for a return upon the property?
A. Yes sir.
Q. Now turn to the passenger business: the state passenger earnings for the year were what?
A. $52,667.38.
Q. And your actual expenses were what?
A. $53,329.91.
Q. How much, now, without allowing anything for extra cost or anything for interest, or anything upon the return upon the property, what have you lost?
A. $662.53.
Q. That allows for no interest, allows nothing for extra cost, and

allows nothing for any return upon the value of the property. Is that right?

A. That is correct.

9245 Q. Have you prepared that statement showing these earnings and expenses for the year ending June 30, 1908, to which I have just referred, to be offered as an exhibit here?

A. Yes sir.

Mr. HAGERMAN: I will offer that paper in evidence.

The paper referred to is marked Complainant's Exhibit No. 87.

Complainant's Exhibit No. 87 is in the words and figures following to-wit:

9246 Q. Mr. Worland did you at my request make a tabulation of a number of passengers carried one mile, at the rate you charged before the two cent law was put into effect, and at the rates you have charged since?

A. Yes sir.

Q. Your loss per passenger mile for the fiscal year ending June 30, 1908, amounted to what?

A. For the fiscal year ending June 30, 1907, the rate per passenger mile for state business was .0338; and for 1908 it was .0198, making a loss per passenger mile of .014 cents.

Mr. HAGERMAN: I will offer in evidence this statement.

The paper referred to is marked Complainant's Exhibit No. 88.

Complainant's Exhibit No. 88 is in the words and figures following to-wit:

9247 Q. If you had been permitted to charge for the year ending June 30, 1908, the same that you were permitted to charge before the two cent fare went into effect, how much more money in dollars and cents would you have received from the passengers than you did?

A. $37,275.38.

The COURT: I suppose you sell interstate tickets?

A. Yes sir.

Q. Coupons?

A. It is a very small factor in the actual business.

Mr. HAGERMAN: But the country your road actually runs through so far as the country district is concerned, is about as populous and good as any in the State of Missouri, isn't it?

A. Yes, I should judge it is above the average.

Q. Do you have any traffic agreements with any other road as to freight?

A. None except on a percentage basis. We have percentage agreements with most of our connections.

Q. But nothing specifically with one any more than any other line?

A. No sir.

Mr. HAGERMAN: Nothing except the joint tariffs as published by the Interstate Commerce Commission?

A. That is all.

Q. Do you own terminals at Hannibal?

A. Yes sir, we own our own terminals there.

9248 Cross-examination.

By Mr. S. B. LADD:

Q. Where does your road begin?
A. At Hannibal, Mo.
Q. You have a track and connections at Hannibal?
A. Yes sir.
Q. And what is the other end of it?
A. At Gilmore, Missouri.

The COURT:

Q. That is on the Wabash from Kansas City to St. Louis?
A. Yes sir.

Mr. LADD:

Q. From Hannibal to Gilmore, how many miles is it?
A. 85 miles. It is a fraction less, but we call it 85 for convenience.
Q. How far is it from Gilmore to St. Louis on the Wabash?
A. 42 miles.
Q. Do you run through passenger trains from Hannibal to St. Louis?
A. No sir, the Wabash handles our coaches with their own motive power.

The COURT:

Q. What is that?
A. We deliver our passenger and freight business to the Wabash at Gilmore, and they handle it from there on their trains.
Q. They take your coaches on into St. Louis?
9249 Q. Some of your coaches run on their road?
A. Yes sir.
Q. And your engines do not go off your road?
A. No sir.

Mr. LADD:

Q. How long have you been connected with the company?
A. I have been connected with it about seventeen years.
Q. I did not understand *where* you are the auditor or not?
A. Yes sir, I have been auditor for about 12 years.
Q. That is an independent road?
A. Yes sir.
Q. It is not controlled by any one except its owners?
A. No sir.
Q. Have you any competition between Hannibal & St. Louis?
A. Yes sir, the Burlington parallels us, or rather we parallel the Burlington for about an average of 20 miles off.
Q. Is there another road down to St. Louis?
A. There is another road on the other side, but it is merely a branch of the Burlington from Quincy to Louisiana.
Q. You have a bonded debt, I suppose?
A. Yes sir.
Q. And some stock?
A. Yes sir.

The COURT:

Q. How many kinds of stock, Common and Preferred, or
9250 both?

A. Just Common stock.

Mr. LADD: Have you always paid your operating expenses.

A. No sir.

Q. Who pays them?

A. Sometimes our people in New York have had to do it.

Q. You have been connected with the road for 17 years; have you generally paid your operating expenses?

A. Yes, as a rule we pay them. I might modify that statement.

Q. How many years out of the 17 have you paid your operating expenses?

A. Well, there are only one or two years that I can recall that we had to send to New York for any money. I think twice we had to.

Q. You managed to make ends meet twice?

The COURT: All but twice, he said.

Mr. LADD: That is what I meant to say. You failed to make ends meet twice?

A. Yes sir.

Q. Have you paid the interest on your bonds regularly?

A. We have never paid any interest on our bonds except on $250,000 worth of income bonds for a period, except for about six years, we paid 5%.

Q. Five or six years out of the seventeen?

9251 A. Five to six years since the road has been in operation.

Q. How long has the road been in operation?

A. I think it was built in 1878.

Q. 30 years?

A. Yes, I think it was built in 1878. It was reorganized in 1885, but I think it was built in 1878.

Q. Now, Mr. Worland, experience has demonstrated pretty conclusively, hasn't it, that that road never ought to have been built, considered from the standpoint of an investment, or a paying property?

A. From the standpoint of the returns to its owners, I might say yes.

Q. Does your statement show your ton miles?

A. No sir, I did not prepare that. I have it in my office, but I haven't it with me.

Q. Will you furnish that?

A. If I were in my office I could do so.

Q. Can you send it to us?

A. I think I can.

Q. And your passenger miles?

The COURT:

Q. Haven't your experts that, Mr. Ladd?

Mr. LADD: We haven't been in that office at all.

A. I can get the total, but I cannot separate the state and interstate.

9252 Mr. HAGERMAN:

Q. How much of a job would that be?
A. Unless I could use the total revenue, state and interstate, to separate it would be quite a job.
Mr. LADD: You cannot separate the state and interstate passenger miles?
A. Oh, yes, I have given you that, but I haven't it for the freight.
Q. Unless it can be done reasonably soon I will not press that.

Redirect examination.

By Mr. CLARDY:

Q. Is the Burlington your competitor from Hannibal?
A. Yes sir.
Q. How does the Burlington run with respect to the river?
A. You mean distance?
Q. From our tracks or from the river?
A. The Burlington I do not believe is more than an average of a mile from the river anywhere.
Q. How far removed from your tracks are the Burlington tracks?
A. About 15 miles.
Q. What counties do you pass through?
A. Ralls, Pike, Lincoln, and into St. Charles County.
Q. Those are some of the best counties in the state, are they not?
A. Yes sir.
9253 Q. You draw traffic from both sides?
A. Yes sir.
Q. And the Burlington draws traffic from both sides?
A. Yes sir.
Q. After you leave Hannibal how soon does the Burlington approach you, in getting its freight traffic, for instance?
A. I think we at least divide the distance with them. They do not come more than half way.
Q. You do not think they come more than half way?
A. No sir, I should judge not.
Q. West of you, what have you?
A. We have not any competition west of us to St. Louis.

Recross-examination.

By Mr. LADD:

Q. This statement covers a period of one year, ending June 30, 1908: that is right, isn't it?
A. Yes.
Q. What were your total earnings of all kinds?
A. For the period in question?
Q. Yes?
A. $210,207.69.

Q. What were your total expenses of all kinds including taxes?
A. $202,787.21.
Q. What was your percentage of expenses to gross earnings?
A. I merely figured that out just now. It is 92.53%.

Complainant here rests.

9254 *Testimony for the Defendants.*

Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the St. Louis & Hannibal Railway Company for the year 1907, as shown on pages 193 to 195 inclusive, of the printed record of proceedings of said Board, which said pages I now offer in evidence as Defendant's Exhibit "E."

The pages referred to are marked Defendant's Exhibit "E."

NOTE.—In lieu of offering in evidence the statement signed and filed by the Tax Commissioner of the St. Louis & Hannibal Railway Company with the State Auditor under Sections 9339 and 9340 of the Revised Statutes of Missouri with a description and valuation of the length and value of the tracks, depots, tanks and turntables, value in incorporated cities and towns, and description and value of rolling stock of the Company for the purpose of taxation:

It is stipulated and agreed by the parties that the valuation placed upon said property by the said statement, and signed by the Tax Commissioner of the said Road, and filed with the State Auditor was $355,175; and that in said statement no reference was made to nor valuation placed upon the item referred to by the State Board of Equalization as "all other property."

9255 Mr. LADD: As we have not been into the office of this company at all, we have not any statement prepared to submit.

The Defendants here rest.

The Complainant and Defendants both rest, and it is considered that the evidence in case No. 2994 is fully submitted with the exception of the testimony of W. B. Doddridge, heretofore referred to.

9256 No. 2995.

THE MISSOURI PACIFIC RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective Counsel, Mr. M. L. Clardy and Mr. Frank Hagerman, representing the complainant, and Messrs. F. Lehmann, J. Kennish and S. B. Ladd, representing the defendants.

The following proceedings were had:

NOTE.—As per stipulation signed and filed with the Clerk, it is agreed by and between the parties, complainant and defendants,

that this case is to abide the result of the case of the St. Louis & San Francisco Railway Company vs. John A. Knott, et al., being Case No. 2998.

9257 No. 2996.

ST. LOUIS, IRON MOUNTAIN & SOUTHERN RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Mr. M. L. Clardy and Mr. Frank Hagerman, representing the complainant, and Messrs. F. Lehmann, J. Kennish and S. B. Ladd, representing the defendants.

The following proceedings were had:

NOTE.—As per stipulation signed and filed with the Clerk, it is agreed by and between the parties, complainant, and defendants, that this case is to abide the result of the case of the St. Louis & San Francisco Railway Company vs. John A. Knott, et al., being Case No. 2998.

9258 No. 2997.

THE MISSOURI, KANSAS & TEXAS RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson District Judge, the parties appearing by their respective Counsel, Mr. Frank Hagerman and Mr. G. P. B. Jackson representing the complainant, and Messrs. F. Lehmann, J. Kennish and S. B. Ladd representing the defendants.

Thereupon to sustain the issues upon its part, the complainant introduced the following evidence:

9259 W. L. SEELIG a witness of lawful age being duly produced, sworn and examined on the part of the complainant, testified as follows:

Direct examination.

By Mr. HAGERMAN:

Q. You are the auditor of the Missouri, Kansas & Texas Railway Company?

A. Yes sir.

Q. Have you prepared a statement for your company of earnings and expenses in line with or upon the theory presented by the other Auditors in these different cases?

A. Yes sir.

Mr. HAGERMAN: I will offer the statement in evidence.

The paper referred to is marked Complainant's Exhibit No. 89.

Complainant's Exhibit No. 89 is in the words and figures following to-wit:

9260 Q. Without following that through in detail at this time, is it generally correct?

A. Yes sir.

Q. For the six months covered by this statement, how much have you left as a surplus before you come to any diminution of earnings?

A. $85,261.10.

Q. What months does this statement include?

A. This statement covers the period from June to September, and from October to January. It left out the months of June and September, so as to have even months.

Q. That was in order to avoid fractions of months?

A. Yes sir.

Q. So what you have here in this statement are the months July, August, October, November and December, 1907, and January, 1908, covering a six months' period?

A. Yes sir.

Q. There was no other purpose than that of which you speak for taking these months?

A. That is all, in order to avoid having parts of months, and to make comparisons with the preceding year.

Q. This six months' statement shows how much is left after deducting your operating expenses?

A. $85,261.10.

Q. That is on the state freight?

A. Yes sir.

9261 Q. What would have been the diminution as to state freight earnings, had there been charged the rates fixed by the maximum freight rate law of 1907?

A. $34,580.20.

Q. So that leaves you, before you come to the question of extra cost, how much?

A. $50,680.90.

Q. You have figured the extra cost of doing the state business on the basis of 50%, twice as much and three times as much as doing interstate business?

A. Yes sir.

Q. Without going over the figures, if you assume the cost to be only 50% more, the minimum, what would be the result?

A. $73,879.86.

Q. Take your interest that you actually paid, and assigning to the state its proportion upon a revenue basis for this period of time, without counting anything for extra cost, how much are you behind or do you lack of meeting your interest?

A. That is allowing on a 50% addition?

A. No, not counting any extra cost at all?

A. There would be a loss of about $12,000.

Q. And if you allow 50% extra cost, how much would the loss be?
A. $86,000.

Q. By loss, you mean you would lack that much of actually
9262 meeting the interest that you are actually paying, and for years have been paying?
A. Yes sir.
Q. That is the proportion charged to state business?
A. Yes sir.
Q. Taking the State Board's valuation for the year 1907, on the revenue basis, what is the return that you would be entitled to upon the proportion of the state freight?
A. You mean the interest?
Q. That is, 6% interest upon that State Board's valuation for the six months' period, would have been how much?
A. $75,469.96.
Q. And that would not be counting anything for extra cost, not counting anything for interest, how much of a deficit?
A. $25,000.
Q. Let us go to the passenger business for a moment, and see how we stand there.
How much are you to the good after deducting the operating expenses on the whole state passenger business?
A. $35,000.
Q. That would be more than wiped out if the extra cost were 35% or 50%, wouldn't it?
A. Yes sir.
Q. At 35% how much difference would it make?

A. It would make a loss of $15,000.
9263 Q. And at 50% what would it be?
A. A loss of about $25,000.
Q. And at 25% where would you stand?
A. At 25% there would be a slight profit, about $5,000.
Q. And at 15%.
A. About $15,000.
Q. Take the proportion of interest charged on the revenue basis to the passenger business, and what is the return?
A. $67,070.47, for the six months.
Q. How much do you actually lack of meeting,—that is upon the State Board's valuation you are giving these?
A. Yes.
Q. What I refer to is the interest upon the bonded debt?
A. $55,490.41, is the actual interest.
Q. Assignable to the state passenger business?
A. Yes sir.
Q. How much do you lack on your state passenger business of actually meeting that interest for the six months period?
A. $20,000.
Q. That is without any increase at all in the cost of doing the state business?
A. Yes sir, and $31,517.00 on the State Board's of Equalization valuation.

Q. That is without any allowance of increase of cost?

A. Yes sir.

9264 Q. I mean those statements when I say without any allowance of increase in cost of doing state over interstate business?

A. Yes sir.

Q. Then in both the passenger and freight business there is a very substantial deficit in actually meeting the actual interest charges that you have for years been paying?

A. Yes sir.

Q. Without any regard to extra cost?

A. Yes sir.

Q. Have you made a statement showing what you would have earned, that is, a comparative statement on this passenger business, had you been permitted to charge what you were charging before the two cent rate law went into effect?

A. Yes sir.

Q. Have you that in such form that it can be submitted as an exhibit?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence this paper.

The paper referred to is marked Complainant's Exhibit No. 90.

Complainant's Exhibit 90 is in the words and figures following to wit:

9265 Q. Please explain that Exhibit 90, Mr. Seelig?

A. The passenger business for the six months, according to our exhibit 90, for the system, showed an increase of $206,131.61.

Q. That is passenger?

A. Yes sir, that is the gross system passenger earnings.

For the state for the same period there was a decrease of $3,232.00.

The number of passengers carried for the same period increased 60,516.

Mr. JACKSON:

Q. Where?

A. In the state. This is purely state business.

Mr. HAGERMAN: Go on.

A. The average revenue per passenger mile for the same period of the preceding year was 2.778 cents.

And for the current year 1.938 cents.

Q. This exhibit 90 does not show that difference, and the number of passenger miles, to show in dollars and cents what you would have earned?

A. I have calculated it here.

Q. What is the calculation?

A. I have carried it out further for a period of ten months, and the ten months revenue for state passenger decreased $12,517.00, as compared with the ten months of the preceding year. But the number of passengers increased 118,844.

9266 The average rate for the ten months decreased 6.11 mills per passenger. On the total passengers carried one mile 19,176,686, it would show a loss for the ten months of $117,169.55.

Q. That is on the state business alone?

A. Yes sir, that is on the state business alone.

Q. Will you make a pencil notation of that on Exhibit 90, so we can have it in the record?

A. Yes sir.

Q. Some question was asked, Mr. Selig, in some of these cases, about the mileage book or the proportion of such business. Have you any figures upon that?

A. Yes sir, for the four months preceding the passage of the two cent law, on the system there were sold 1415 two thousand mile tickets, and in the four months after June 18, 1907, there were sold 1256 of these books at 2 cents per mile. The others were at the rate of 2½ cents, making a decrease of 159.

The COURT:

Q. For the quarter?

A. Yes sir.

Mr. HAGERMAN: That was for the system?

A. Yes sir.

Q. What was it for Missouri?

A. In the State of Missouri for a period of ten months after June 19, 1907, there were 471 books sold, or a decrease of 151.

9267 Q. How do your statements show up as to an increase of business, say for a period of three years back. How does it run as to an annual increase year by year. You have already shown that here in Missouri there has been an actual loss of revenue of a very substantial sum, but how has it been as to an increase of the passengers carried?

Mr. JACKSON: Take it for the month of July, 1906, 1907 and 1908?

A. I have it for a three years period, for July, 1906, July 1907, and July 1908.

Mr. HAGERMAN: What is the result of that?

A. The state passenger business for July, 1906, amounted to $45,-622. For July 1907 it amounted to $40,400, and for July, 1908, to $38,489.

The number of passengers carried July, 1906, were 61,599. In July 1907 it was 71,766, and in July, 1908, it was 74,815.

Q. That is there was more of an increase in 1907 as compared with 1906, than there was in 1908 as compared with 1907?

A. Yes sir, as to the number of passengers carried, but the revenue decreased.

Q. The revenue decreased?

A. Yes sir, from $45,622 in 1906, to $38,489 in 1908, although the number of passengers carried increased 13,216.

Mr. JACKSON:

Q. That does not show any more average increase of business in the State of Missouri than over the —.

9268 A. I did not catch that question.

Q. There was an increase on the entire system?

A. In revenue?

Q. In the number of passengers carried?

A. Oh, yes.

Q. In about the same proportion that you have shown as to this State, with perhaps a few exceptions?

A. Yes sir.

Q. When you talk about these mileage books being sold, before this 2 cent rate law was passed, they were sold at 2½ cents per mile, weren't they?

A. Yes sir.

Q. And since then at 2 cents?

A. Yes sir.

The COURT:

Q. Do you mean that 2000 mile books were sold at 2½ cents?

A. Yes sir. We did not have any agreement for exchange.

Mr. HAGERMAN:

Q. In a certain portion of the territory east of Kansas City to Chicago, I think they refunded a part of that, didn't they?

A. Yes sir.

Q. But they did not do that on the roads running to the southwest?

A. No sir.

The COURT:

9269 Q. Did you sell 1000 mile books for $25.00?

A. Yes sir.

Q. Or 2,000 mile books for $50.00?

A. Yes sir.

Q. But on those there was no rebate given?

A. No sir.

Mr. HAGERMAN: I think they all sold the books for 2½ cents per mile, but in some portions of the country there was a refund if the purchaser returned the book with the mileage all used.

Mr. JACKSON:

Q. You have mentioned the increase in system business as compared with the increased number of passengers in the state business, showing a decrease of revenue in the state business: how was it in regard to the system? Was the revenue increased or decreased during that time?

A. The revenue increased.

Q. While it decreased on the state business?

A. Yes sir.

Q. And the increase of passengers carried was about the same in the state as on the system?
A. Yes sir.

Cross-examination.

By Mr. LADD:

Q. Mr. Seelig, you prepared a statement which has been filed here, or it was prepared under your supervision?
9270 A. Yes sir.

Q. Mr. Seelig, on page five of schedule No. 3, Exhibit 89, the figures show how much the freight earnings would have been reduced, if the maximum freight law had been followed?
A. Yes sir.
Q. Now that maximum freight law affected certain commodities, and certain commodities only?
A. Yes sir.
Q. And these figures are intended to show how much less you would have gotten for the transportation of those commodities than you actually did get, if you had followed the law?
A. Yes sir.
Q. That is right, is it?
A. Yes.
Q. If says that you would have realized upon the state traffic, out of those commodities $20,222.85 less than you actually did realize?
A. Yes sir.
Q. And upon the interstate freight you would have realized $14,357.35 less: is that right?
A. Yes sir.
Q. Those two sums together aggregate $34,580.20?
A. Yes sir.
Q. That is what you would have lost in state revenue and interstate revenue combined, if you had followed that law?

9271 Mr. HAGERMAN:

Q. That is, if you had reduced your rates?

Mr. LADD: Let me examine him, please, Mr. Hagerman.

Q. Now look at page 2 of this exhibit 89, and at about the middle of the page you say, after deducting your state operating expenses from your state freight earnings for the period covered, you had $85,261.10 left?
A. Yes sir.
Q. But you also say there should be deducted from that the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907?
A. Yes.
Q. And then from the $85,261.10 you deduct the $34,580.20, don't you?
A. Yes.

Q. Which represented your loss on state and interstate?
A. Yes.
Q. Leaving $50,680.90?
A. Yes sir.
Q. You deducted not only the $20,222.86, which you say you would have lost in state earnings, but you deducted also the $14,357.35, which you say you would have lost in interstate earnings?
A. Yes sir.
9272 Q. You take it all out of your earnings on the State freight?
A. Yes, that was the cause of it.
Q. What?
A. The reason for that is that that was the cause of the decrease.
Q. Your state freight earnings would not actually have been reduced more than $20,222.85?
A. That is, if the rates had been applied we would have lost the $34,580.20.
Q. Your state freight revenue would have been reduced only $20,222.85: is that right?
A. The revenue purely within the state.
Q. But you have deducted instead of that amount $34,580.20 from the state freight revenue?
A. Yes sir, because the other revenue was also affected by that.
Q. On your road what is the revenue per ton mile for state freight during this period?
A. 1.878 cents.
Q. 1.878 cents per ton per mile state freight revenue?
A. Yes sir.
Q. What was the revenue per ton per mile on the interstate freight?
A. 1.065 cents.
Q. Have you figured how much greater per cent your
9273 revenue was on the state than interstate freight?
A. Yes.
Q. How much?
A. 76% higher.
Q. During this period what were your gross earnings from every source in the State of Missouri, state and interstate?
A. $2,303,516.44.
Q. During the same period what were your gross operating expenses in the State for all kinds of business, including rentals and taxes?
A. $1,704,716.99.
Q. What was the per cent of your operating expenses?
A. The per cent of operating expenses to earnings, rentals and taxes for the fiscal year ending June 30, 1908, was 76%; and for the preceding year was 67%.

Mr. KENNISH:

Q. Mr. Seelig, you spoke about the normal increase of the state passenger business on the M. K. & T. for several years preceding the

reduction of the fare from three cents to two cents per mile: could you give the increase say from the year 1900 up to the time the 2 cent fare law went into effect?

A. Yes sir.

Mr. JACKSON:

Q. There is an exhibit in the case, set forth in the testimony of Mr. Hale.

9274 Mr. KENNISH: My understanding of that exhibit was that he gave it year by year. He gave it, giving the increase of each year over the preceding year. Now I want Mr. Seeling to state the total increase from say the year 1900 to the year ending June 30, 1907.

Mr. HAGERMAN: In lump?

Mr. KENNISH: Yes.

Mr. JACKSON: The state passenger business?

A. Oh, we haven't it. The only compilations for the state that were made are those I testified to this morning. We do not keep any other state statistics.

Mr. KENNISH:

Q. You testified there was a normal increase each year in the state business before this reduction in the rate?

A. Only so far as 1906 and 1907 were concerned.

Mr. HAGERMAN: And that only as compared with the system.

Mr. KENNISH: Do you know, as a matter of fact whether there was any increase in the state business each year from 1900 up to the time the rate was reduced?

A. I do not know.

Q. You were speaking of the system?

A. I was speaking for the state business, for the months of July, 1906, 1907 and 1908, and of the system business for the six months following the inauguration of the 2 cent rate.

9275 Q. How about the system before those years, say from 1900?

A. They show a substantial increase each year.

Q. Would the state business increase in the same proportion during that same period?

A. I do not know. Those figures have not been compiled.

Mr. HAGERMAN:

Q. You do not keep those figures separately?

A. No sir.

Mr. LADD:

Q. In this statement, exhibit 89, the figures $50,680.90, showing what the net state revenue would have been if the law of 1907 had been complied with, are carried right through the rest of that statement, when that revenue is dealt with at all, aren't they?

A. Yes sir.

Q. In other words, if the loss which you would have sustained upon your interstate revenue, if the company had compiled with the law of 1907, ought not to be deducted from the state revenue, if that is an error, that error follows through your statement.

A. Yes sir.

Mr. JACKSON:

Q. It makes a difference of $14,300 all the way through?

A. Yes sir.

Mr. HAGERMAN: It would not be enough to offset the extra 50%?

9276 A. No sir.

Mr. JACKSON:

Q. It would be $10,000 short, then?

A. Yes sir.

NOTE: With the exception of the right of complainant to introduce the testimony of W. B. Doddridge, as to the value of the property, and the right of defendants to rebut said testimony, the complainants here rest.

9277 *Testimony for the Defendants.*

Mr. LADD: Our experts have not examined the books of the Missouri, Kansas & Texas Railway Company at all, or any of their accounts. We have here a couple of statements prepared by Mr. Taliaferro, using the figures contained in complainant's Exhibit 89

The COURT: Presenting your theory of the case?

Mr. HAGERMAN: Corresponding to Exhibit 61 and 64 in the Frisco case?

Mr. LADD: I think, and if I am not right Mr. Taliaferro will correct me, that these exhibits exclude from the diminution in state revenue, what would have been the diminution in interstate revenue on those certain commodities.

Mr. LADD: I will introduce in evidence the statement prepared on the basis of Exhibit 89, referring to the passenger business.

The paper referred to is marked Defendant's Exhibit 91.

Defendant's Exhibit 91 is in the words and figures following to-wit:

9278 Mr. LADD: I will also offer in evidence the statement prepared on the basis of Complainant's Exhibit 89, referring to the freight business.

The paper referred to is marked Defendant's Exhibit 92.

Defendant's Exhibit 92 is in the words and figures following to-wit:

9279 NOTE: By agreement of parties it is entered of record that the statement of the Missouri, Kansas & Texas Railway Company, which has been marked "Complainant's Exhibit No. 89", in this case, was delivered to the State on July 28, 1908.

Mr. LADD: I would like the record to show also that it has been a physical impossibility with the force at the command of the State, for us to examine the books, papers, or any records of the M. K. & T. Ry. Company.

Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the Missouri, Kansas & Texas Railway Company for the year 1907, as shown on pages 144 to 153 inclusive of the printed record of proceedings of said Board, which said pages I now offer in evidence as Exhibit "H".

The pages referred to are marked "Defendant's Exhibit "H".

Defendant's Exhibit "H" is in the words and figures following, to-wit:

The Defendants here rest.

The Complainants and Defendants both rest and it is considered that the evidence in Case No. 2997 is fully submitted, with the exception of the testimony of W. B. Doddridge, heretofore referred to.

9280

No. 2998.

WABASH RAILROAD COMPANY
vs.
HERBERT S. HADLEY et al.

The above entitled cause coming on for trial on Wednesday, December 30, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Mr. Frank Hagerman representing the Complainant and Messrs. F. Lehmann, S. B. Ladd and John Kennish representing the defendants.

NOTE.—It is stipulated and agreed by and between the counsel representing the respective parties that the same shall abide by the findings, orders and decrees in case No. 2998, being the case of the Chicago, Burlington & Quincy Railway Company vs. Herbert S. Hadley, et al.

9281

No. 2999.

QUINCY, OMAHA & KANSAS CITY RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Wednesday, December 30, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Mr. Frank Hagerman, representing the Complainant, and Messrs. F. Lehmann, S. B. Ladd and John Kennish representing the defendants.

NOTE.—It is stipulated and agreed by and between the counsel representing the respective parties that the same shall abide by the findings, orders and decrees in case No. 3003, being the case of the Chicago, Great Western Railway Company, vs. John A. Knott, et al.

9282 No. 3001.

ST. JOSEPH & GRAND ISLAND RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Mr. Frank Hagerman representing the Complainant and Messrs. F. Lehmann, S. B. Ladd and John Kennish representing the defendants.

NOTE.—It is stipulated and agreed by and between the counsel representing the respective parties, that this case shall abide by the findsings, orders and decrees in case No. 3003, being the case of the Chicago, Great Western Railway Company vs. John A. Knott, et al.

9283 No. 3004.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Mr. Frank Hagerman representing the Complainant and Messrs. F. Lehmann, S. B. Ladd and John Kennish representing the defendants.

NOTE.—It is stipulated and agreed by and between the counsel representing the respective parties, that this case shall abide by the findings, orders and decrees in case No. 2988, being the case of the St. Louis & San Francisco Railway Company vs. John A. Knott, et al.

9284 No. 3006.

CHICAGO & ALTON RAILROAD COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel, Mr. Frank Hagerman representing the Complainant and Messrs. F. Lehmann, S. B. Ladd and John Kennish representing the defendants.

NOTE.—It is stipulated and agreed by and between the counsel representing the respective parties that this cause shall abide by the findings, orders and decrees in case No. 2998, being the case of the Chicago, Burlington & Quincy Railway Company vs. Herbert S. Hadley, et al.

9285 No. 3002.

KANSAS CITY, CLINTON & SPRINGFIELD RAILWAY COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Tuesday, December 29, 1908, before the Honorable Smith McPherson District Judge, the parties appeared by their respective counsel, Mr. Frank Hagerman representing the complainant, and Messrs. F. Lehmann, J. Kennish and S. B. Ladd representing the defendants.

Thereupon to sustain the issues upon its part, the complainant introduced the following evidence:

9286 E. M. SMITH a witness of lawful age being duly produced, sworn and examined on the part of complainant, testified as follows:

Direct examination.

By Mr. FRANK HAGERMAN:

Q. You are the Auditor of the Kansas City, Clinton & Springfield Railway Company?
A. Yes sir.
Q. Where does that road start?
A. It starts at Olathe, and terminates at Ash Grove.
The COURT: Those towns are in Missouri?
A. Yes sir.

Mr. HAGERMAN:

Q. Where do you cross the state line?
A. At Mastin.
Q. Your road starts at Olathe and runs to Mastin, ten miles from the state line?
A. That is about it.
Q. And runs into Missouri?
A. The actual mileage in Kansas is 11.63 miles.
Q. And in Missouri it is what?
A. 151.01 miles.
Q. And you operate into Kansas City, do you
A. No sir, we do not operate into Kansas City. The Santa Fe here has the trains of our company. Our operations cease at Olathe.

9287 Q. Have you prepared a statement showing the earnings and expenses of your company for the year ending June 30, 1908?
A. Yes sir.

Mr. HAGERMAN: I will offer in evidence the statement.

The paper referred to is marked Complainant's Exhibit 93.

Complainant's Exhibit 93 is in the words and figures following to-wit:

9288 Q. Mr. Smith, without going through this statement in detail, you have set forth here the earnings and deducted the operating expenses, and then how much would the diminution have been in the state freight earnings, had you charged the rates that were fixed by the Maximum Freight Law of 1907?

A. The diminution based on 6.6% would have been a diminution of $2,970.21.

Q. What I want to get at is, how much of a surplus have we on that state freight to start with, before we get to interest or extra cost?

A. $11,961.50.

Q. If you apply 50% as the extra cost, how much would that be?

A. That would be $8,720.86.

Q. About $3200 to the good, that way?

A. Yes sir.

Q. And if the extra cost were twice as much, what would be the result?

A. $15,551.06.

Q. Or leaving you how much in the hole?

A. We would be in the hole about $3400.00.

Q. Wholly irrespective of any extra cost this $11,961.50 comes how near paying your interest?

A. The proportion chargeable to freight would be $24,370.86.

Q. And you get only $11,961.50 to pay it with?

9289 A. Yes sir, that leaves a deficit of nearly $1,000.

Q. Irrespective of interest, and irrespective of extra cost, what would be the deficit upon a 6% return on this valuation of the State Board?

A. The deficit would be in the neighborhood of $27,000.

Q. Let us turn to the state passenger business: what are your actual state passenger earnings?

A. $47,646.80.

Q. And what are your actual operating expenses, exclusive of interest, and exclusive of any extra cost?

A. Exclusive of interest they would be $77,342.38.

Q. And how much have you actually lost on the state passengers, regardless of extra cost, and regardless of any interest, and regardless of any return upon the property?

A. $29,695.58.

Q. Have you a memorandum made there of what you were receiving before the 2 cent fare went into effect, per passenger per mile, and what you have received since?

A. Yes sir.

Q. Have you that in tabulated form?

A. Do you wish it state and interstate?

Q. Just the state is all I care for. How much were you receiving, at what rate per passenger per mile before the law went into effect?

A. On state business we received an average of 2.6158 cents.

9290 Q. And after the law went into effect what did you receive?

A. On state business our revenue was 2.0005 cents, or almost exactly 2 cents.

Q. What was the number of passenger miles in the state business?
A. Under the 3 cent rate?
Q. Yes.
A. 2,251,388.
Q. That multiplied by 6.153 mills would give you the amount more you would have received had the old law been in force on the state business?
A. I have it tabulated there: it makes a difference of $14,654.57.
Q. Have you that prepared as an Exhibit?
A. Yes sir.
Q. That is on state business alone?
A. Yes sir.
Q. Have you it figured out on inter-state business, also?
A. Yes sir.
Q. What would that be?
A. An additional difference of $10,846.91.
Q. That you would have received in Missouri, if they had not put that law into force?
A. Yes sir.
9291 Q. What is the amount you should have received, more than the amount you actually did receive?
A. $25,501.48.

Mr. HAGERMAN: I will offer in evidence this paper referred to.
The paper referred to is marked Complainant's Exhibit No. 94.
Complainant's Exhibit 94 is in the words and figures following, to-wit:

9292 Cross-examination.

By Mr. S. B. LADD:

Q. Did you say you were the Auditor of the Kansas City, Clinton & Springfield Railway Company?
A. Yes sir.
Q. Where does your road start, here at Kansas City?
A. It starts at Olathe, Kansas.
Q. That is down in Kansas about 25 miles?
A. It is 21 miles from Kansas City, I believe.
Q. In what direction does it run from Olathe?
A. The general direction is southeast. It runs almost directly east from Olathe for a while.
Q. How far does it run in the state of Kansas?
A. Our mileage in Kansas I believe is——
Q. Have you a map showing your line?
The COURT: He said it was about 11 miles in Kansas.

Mr. LADD:

Q. It runs in a general easterly direction?
A. Yes sir, until it strikes Belton, and then it turns south.
Q. Belton is about how far south of here?
A. I should judge, directly south from Kansas City, it is about 18 or 20 miles.

Q. It is in this county?
A. Yes sir, it is in Jackson County.
9293 Q. In what direction do you run from there?
A. South.
Q. And entirely in the state of Missouri from that point?
A. From Mastin entirely in Missouri.
Q. What is your southern terminus?
A. Ash Grove.
Q. Do you run through Springfield?
A. No sir.
Q. How close do you go to Springfield?
A. 19 and a fraction miles.
Q. Although the name Springfield is a part of your corporate name, you do not run to Springfield at all.
The COURT: You do not run to Kansas City?
A. No sir.
Q. But you do run through Clinton, which is a part of your name.
Mr. LADD: Ash Grove is on one of the main lines of the Frisco, that is it is on the line from Kansas City to Memphis, isn't it?
A. Yes sir.
Q. And about how far west from Springfield?
A. A little over 19 miles.
Q. How long is your road in Missouri?
A. 151 miles, practically.
Q. And how long is it in Kansas?
9294 A. 11.62 miles.
Q. Referring to your gross earnings of all kinds in Missouri, I see that in this statement, Exhibit 93, you do not allow anything for Miscellaneous earnings, either freight or passenger?
A. No sir, that was not taken into consideration.
Q. Are they included here?
A. No sir, they are not included in the earnings. That is strictly freight and passenger revenue.
Q. When you say here that the total freight earnings, state and interstate, amount to $161,897.75, yau have not included what are called miscellaneous freight earnings?
A. No sir.
Q. And when you say that the passenger earnings, state and interstate, amount to $88,791.80, you have not included any miscellaneous passenger earnings?
A. No sir.
Q. They are not dealt with in this statement at all?
A. No sir.
Q. They are ignored?
A. They are ignored entirely.

Mr. HAGERMAN:

Q. Have you them there so they can be put in?
Mr. LADD: Please wait a moment, Mr. Hagerman, until I have examined the witness.

Q. Your total operating expenses, as shown on page 2 of
9295 this statement are stated to be, including taxes, $144,134.15?

A. Yes sir, that is for Missouri.

Q. Are we to understand that means just what it says, that those are your total operating expenses?

A. Applied to the passenger business in Missouri. Right adjoining that you find the freight expenses.

Q. They are not added together?

A. No sir.

Q. I thought I had the total there. The total operating expenses and taxes are a little more than $252,000 then?

A. Yes sir.

Q. That is right, is it?

A. Yes sir, $252,304.80.

Q. Are we to understand that those are your total expenses and taxes in the state of Missouri?

A. That includes the total operating expenses, but does not include the total taxes. I have included in the tax item the proportion of taxes which apply only to passenger and freight earnings, having taken out the proportion which would naturally apply to any other division of earnings, upon a revenue basis.

Q. I will ask you then what were your total operating expenses, including taxes, in Missouri, without taking out anything?

A. Do you mean, Mr. Ladd, the total operating expenses,
9296 strictly speaking operating expenses?

Q. I mean the total operating expenses, including as you have it here in your statement, maintenance of way and structures, maintenance of equipment, transportation expenses, general expenses, and taxes, without leaving out anything at all on any account?

A. I would charge to total expenses everything charged to passenger for the year 1908, $196,415.72. That is the total for 12 months. That is the total for all operating expenses and taxes.

Q. Now what do you say that is?

A. The total operating expenses and taxes charged to the passenger business in Missouri for the year ending June 30, 1908.

Q. That does not include all the operating expenses, does it?

A. That includes——

The COURT: He asked you as to the passenger business. They are the operating expenses, aren't they?

A. That does not include the fixed charges.

Mr. LADD: What do you mean by fixed charges?

A. Interest.

Q. I don't want that included just now. What I want to get at is your total operating expenses in Missouri, under these five general heads and your taxes for that year?

A. Well, that would be the figures as shown in this state-
9297 ment—charged to passengers you mean?

Q. The whole thing?

A. Oh, the whole thing would be——

Mr. HAGERMAN: I suggest that he make up another statement including the miscellaneous. I did not notice that until just now.

Mr. LADD: I want to examine him on this statement first. He can do that later.

The COURT: Go on, Mr. Ladd.

A. $252,304.80.

Mr. LADD:

Q. That is the sum of the two figures which you have stated here on page 2 as your operating expenses and taxes, divided between freight and passenger?

A. Yes sir.

Q. The total of your operating expenses in Missouri for this period were $252,304.80: that is right, isn't it?

A. Yes sir.

Q. That is the sum of those two. I understood you to say, and that is the reason I questioned you about that that you had omitted some items of expense from these figures?

A. No sir.

Q. You have not?

A. No sir, you misunderstood me.

Q. What were your total earnings, state and interstate for that period in Missouri?

9298 A. Total gross earnings?

Q. Yes.

A. I can't give you that, Mr. Ladd.

Q. Do not those figures on page 1 purport to show that?

A. They purport to show freight and passenger earnings, but, as I said before, the item of miscellaneous earnings is not included.

Q. What do they amount to?

A. For that year they would make about $30,000.

Mr. HAGERMAN: For what?

A. That would be the miscellaneous mail, express, and miscellaneous passenger earnings for the year.

Mr. LADD: That is in round numbers?

A. The actual figures are miscellaneous passenger earnings $29,987.35. That is approximately correct. That is not actual.

Mr. HAGERMAN: The witness has evidently not included the miscellaneous earnings. We can save time by withdrawing him for the present, and let him put those on the statement. We have other witnesses here. I supposed he had it in his statement.

Mr. LADD: I object to that.

The COURT: Mr. Ladd wishes to cross examine him on this statement, but the witness will be given an opportunity to put those figures in the statement later on.

9299 Mr. LADD: What are the miscellaneous freight earnings excluded from that statement?

A. I haven't that worked up.

Q. Would they be more or less than the miscellaneous passenger earnings?

A. I would say they would be less.

Q. Have you any way of arriving at it here?

A. No sir, I did not take that item into consideration at all in making the statement, and I did not work up any figures at all as to miscellaneous freight earnings.

Q. I will ask you again: do you say you cannot tell me what the miscellaneous freight earnings amount to?

A. I cannot answer. That would have to be all figured out from the records.

Q. And the records are not here?

A. No sir.

Q. Where do you keep your records?

A. At Springfield?

Q. You do not think they would be as much as the miscellaneous passenger earnings?

A. No sir, I do not.

Q. Now, Mr. Smith, how have you divided your operating expenses for freight, amounting to $108,170.65, between state and interstate, upon what basis?

A. Upon the revenue basis.

Q. And in doing that you have divided the sum of
9300 $108,170.65, which is your total operating expense in connection with freight you say, and assigned a certain proportion of it to the state freight business, although you have not taken into the account the miscellaneous earnings, either freight or passenger?

A. That is a fact.

Q. That is to say you have charged up your total operating expenses, including the expenses from it, or the revenue upon miscellaneous freight and passenger business when earned, and charged it up to strictly passenger and strictly freight business: that is right, isn't it?

A. Yes sir.

Mr. HAGERMAN: I submit we ought to have the right to withdraw this witness. As the statement now stands I am not going to rely upon it. I am going to put those other figures in there.

The COURT: I don't see what figure it cuts?

Mr. HAGERMAN: I would like to withdraw the statement and put those figures in, and then afterward Mr. Ladd can cross examine the witness.

The COURT: The paper may be withdrawn.

Thereupon complainant withdraws the statement which has been marked complainant's Exhibit 93, and the witness is temporarily withdrawn.

Recess was here taken until 2 o'clock.

9301 After recess on Tuesday, December 20, 1908, the following proceedings were had:

E. M. SMITH, recalled, testified as follows:

Direct examination.

By Mr. HAGERMAN:

Q. This morning when we introduced and went over complainant's Exhibit 93, it appeared that you had taken no account, either in the earnings or in the percentages, of the miscellaneous freight and the miscellaneous passenger, which latter includes mail, express, etc.?

A. That is true.

Q. Since the noon adjournment have you changed the statement so as to put in the miscellaneous, and offer it upon that basis?

A. Yes sir.

Mr. HAGERMAN: I will now offer in evidence the revised form of statement.

The statement referred to is marked Complainant's Exhibit 93-a. Exhibit 93-*a* is in the words and figures following to wit:

9302 Q. You said this morning you did not have the miscellaneous alone for the freight, for the State of Missouri; you have 11 miles of your road in Kansas?

A. Yes sir.

Q. But you did have the miscellaneous figures for the entire system?

A. Yes sir.

Q. So giving the state of Missouri the benefit of whatever part of your road may be included in Kansas, you can give the entire amount for miscellaneous freight on the system?

A. Yes sir.

Q. And that is $9,319.58?

A. Yes sir.

Q. Now take the earnings as a whole. Your total amount is what, including frieght and passenger miscellaneous?

A. $284,805.52.

Q. And all your expenses, before you pay any interest, what is that amount?

A. $252,304.80.

Q. So that without counting anything for interest, you have got only practically $32,000 from all your receipts, from whatever source, with which to pay how much interest?

A. $151,150.50.

Q. Going back for a minute the result of putting in the miscellaneous business, changes the fractions and the application
9303 of the operating expenses, doesn't it?

Mr. LADD:

Q. What is that figure for interest?

A. $151,150.50.

Mr. HAGERMAN:

Q. On your former statement, having left out the miscellaneous,

you did not include anything of the interest you charge to cover that?

A. No sir.

Q. But your total interest charge in the state is $151,150.50?

A. Yes sir.

Q. In practical results in the way of loss, there does not appear to be a great deal of loss.

Turn to the summary on page 3: you have deducted the percentage the state freight is of all earnings, state, interstate and miscellaneous, have you?

A. Yes sir, 26.29%.

Q. And instead of your $14,000 it makes $16,000 surplus you have on hand?

A. Yes sir.

Q. Something less than $2,000 increase on your former figures, when the miscellaneous was left out?

A. Yes sir.

Q. And practically that is about all the difference it makes in the result: is that right?

A. Yes sir.

9304 Q. You have your annual statement here for June, 1908, for the entire system?

A. Yes sir, that is our annual statement for the fiscal year ending June 30, 1908, showing the result of that year's operation.

Q. How much do you lack for your entire system (only about 11 miles of it being in Kansas, and all the rest of it in Missouri) of meeting your interest charge?

A. $113,139.

The COURT: You mean you were short the interest charge on the whole system?

A. Yes sir, it was an entire net loss.

Q. The interest was not paid?

A. We paid it.

Q. If you did, somebody put it up, aside from the profits and receipts, is what I mean?

A. Yes sir.

Cross-examination.

By Mr. LADD:

Q. You say now your total earnings, state and interstate were $284,805.52: is that right?

A. Yes sir.

Q. And your total expenses were $252,304.80?

A. Yes sir.

Q. How much does that leave you?

9305 Q. A little over $32,000.

Q. Suppose there had been no 2 cent passenger rate law, what would your passenger earnings have been, state and interstate? How much more than this statement shows?

A. (After figuring.) It would make a difference of $14,654.57.

Q. Both state and interstate?

A. For the state passenger business.

Q. You mean that is the total difference it would have made?

A. That would be the total difference it would have made on state business. Do you wish it on interstate?

Mr. HAGERMAN: That would be practically the same thing.

Mr. LADD: Your total passenger earnings, according to this statement, would have been $88,791.80: how much would they have been if it had not been for the two cent rate law? How much more would they have been?

The COURT:

Q. How much were they charging before?

A. On the basis of 3 cents per mile.

The COURT: They would have been ½ as much more?

A. Providing we had received the same average rate per passenger per mile on all our business, the difference in the revenue of the company would have been $25,500 in round numbers.

Q. Including both state and interstate?

9306 A. Yes sir.

Mr. LADD:

Q. Will you add that to your actual receipts $284,805.52, and what will be the result?

A. $310,307,000.

Q. Now deduct your expenses, and see how much it would leave. Your expenses were $252,304.80?

A. $58,002.20.

Q. $58,000 to pay how much interest?

A. $151,150.50.

Q. You could not have paid your interest then, if this law had never been enacted, could you?

A. No sir.

Q. How long has that situation been going on?

A. To a greater or less extent ever since the road was built.

Q. It is a poor road, Mr. Smith. I do not refer to the financial condition, but it is a poor road, it never paid, and never was anything but a poor proposition?

A. I believe I remember one year it paid all of its charges, all of its expenses.

Q. How long ago was that?

A. I think that was the year 1894.

Q. And what is the history of that road? How long a period does it cover?

A. It was built in 1884.

9307 Q. How long a period does it cover?

A. It was built in 1884.

Q. Approximately what percentage of your gross earnings are the passenger earnings?

A. It would be about 31% of the total earnings.

Q. Your passenger earnings are about 31% of your total earnings?
A. Yes sir.
Q. What per cent of your operating expenses do you charge for the passenger service?
A. I have not figured that percentage.
Q. Could you approximate it?
A. It is in the neighborhood of 60.
Q. About 60%?
A. Close to that.
Q. Your passenger earnings are 31% of your total earnings, and your passenger expenses are 60% of your total expenses?
A. Yes sir.
Q. What per cent of your earnings are your freight operating expenses approximately?
A. What per cent of the earnings?
Q. What per cent of the freight earnings are your operating expenses?
A. They would be about 40%.

Mr. HAGERMAN:

Q. That is approximately?
A. Yes sir, that is an approximation. The passenger would
9308 be about 60% and the freight would be about 40%. I haven't figured it, Mr. Ladd.

Mr. LADD:

Q. Let us see about that. Perhaps there have been some changes made here that will change that.
What did you call your freight operating expenses, how much?
A. Freight operating expenses?
Q. Yes.
A. $108,170.65.
Q. And what are your freight earnings?
A. The total freight earnings, including miscellaneous, $171,216.33.
Q. Then what per cent of your freight earnings are your operating expenses. I think if you will look at that a little more carefully, you will see you have made a mistake.
A. I thought you meant what per cent of the operating expenses were the freight operating expenses.
Q. I mean what was the per cent of freight operating expenses to freight earnings?
A. Between 75% and 80%.
Q. Aren't you wrong about that, Mr. Smith? You divide $108,000 by $171,000: Isn't that the way you get that percentage?
A. Yes sir.
Q. Then aren't you mistaken about that?

9309 Mr. HAGERMAN: What do you make it, Mr. Taliaferro?
Mr. TALIAFERRO: 63%.
The WITNESS: That is right, I didn't carry it out.

Mr. LADD:

Q. The per cent of your freight operating expenses to your freight earnings, is about 60%?

A. Yes sir.

Q. Now what is the per cent of your passenger operating expenses to your passenger earnings?

A. A little less than 51%.

Q. About 51%?

A. Yes sir. You said passenger expenses?

Q. Yes, passenger expenses to passenger earnings?

A. Passenger operating expenses to passenger earnings? About 127%.

Q. The expenses are 27% more than the earnings?

A. Greater than the earnings.

Q. Suppose it had not been for the three cent law, I think you said you would have earned about $25,000 more?

A. Yes sir.

Q. And if it had not been for that law, and you had charged irrespective of any state law, your passenger earnings would not have equaled your passenger expenses, would they?

A. Not quite.

Q. Mr. Smith, what causes that great discrepancy (I speak of it as a great, because it seems to me so)? between the percentage
9310 of your freight operating expenses to earnings, and the percentage of your passenger operating expenses to earnings?

A. The only explanation I can give of that, Mr. Ladd, is that in working out these figures, and using the train mileage as a basis for unlocated expense, it has given to the passenger portion a larger percentage of the expense for the reason that our passenger train mileage is always in excess of our freight train mileage, something that is unusual, and it bears the relation of almost 2 to 1.

Q. You divide your expense between freight and passenger upon the basis of train mileage?

A. Revenue train mileage. That is the basis that has been used by all the roads, I understand, in prorating their expenses where they were not definitely located.

Q. How many trains do you run a day on that road?

A. We have two through passenger trains. Two passenger trains between——

Q. When you say two through passenger trains, you mean one each way?

A. Yes sir, one each way.

Q. And how many freight trains?

A. One each way, daily, and in addition to that we have a passenger train each way between Clinton and Olathe daily.

Q. Would that extra passenger train account for that difference? You have two passenger trains and two freight trains, and
9311 then you have that passenger train between Clinton and Olathe?

A. I said daily, when I said two through freight trains. The local

freight trains do not run on Sunday, which would cut down the train mileage. And then this other train between Olathe and Clinton would make up the difference.

The relation between them for the year is 60.71 to 39.31%.

Q. That is for the year ending June 30, 1908?

A. Yes sir.

Questions by Mr. KENNISH:

Q. I believe you are a Director in this company as well as Auditor, aren't you?

A. Yes sir.

Q. How long have you been connected with the Kansas City, Clinton & Springfield Railway in a business way?

A. As Auditor?

Q. In any capacity?

A. For the Kansas City, Clinton & Springfield alone, since August 1901.

Q. And before that you were with the Frisco?

A. I was with the Kansas City, Ft. Scott & Memphis.

Q. That was a road afterward acquired by the Frisco?

A. Yes sir.

Q. You are reasonably familiar with the country that the
9312 Kansas City, Clinton & Springfield traverses, aren't you?

A. Yes sir.

Q. How long have you known that country?

A. I have known it since going to Springfield in 1901. That was when I was made Auditor of the company.

Q. It is an agricultural and stock raising country, isn't it?

A. A great deal of it is, yes sir.

Q. What other industry or article is produced between here and the Southern terminus of that road, unless it is some coal?

A. Aside from the agricultural products, we have quite a large output from the clay works at Deep Water.

Q. There is a factory there at Deep Water, and those are the only Clay Works on the entire line?

A. Yes sir, and then we have large stone works at Phoenix.

Q. How far is that from Kansas City?

A. Probably 160 miles. It is 65 miles from our southern terminus, Ash Grove.

Q. The country is rather a poor country from an agricultural standpoint?

A. I would consider it so at the southern end.

Q. It is not fertile or productive, except a little part of it near Kansas City, or near Olathe, one might say?

A. I would say from Harrisonville north.

9313 Q. What is the distance from that point to Olathe?

A. About 36 miles.

Q. The entire length of your line from there south is through rather an unproductive, unfertile country, isn't it?

A. I would not consider it first class agricultural country, especially on the south end. It is rough.

Q. And your line is paralleled by another railroad the entire length of it, so the distance between the two lines at any one point is not more than 12 miles: Isn't that a fact, Mr. Smith?

A. I would judge that is true except as the termini of our line. The distance there is of course greater.

Q. At the termini you intersect with another branch of the Frisco?

A. We interchange business with them.

Q. With what was the old Kansas City, Ft. Scott & Memphis Road?

A. Yes sir.

Q. You say this road was built in 1884?

A. I think so.

Q. There is a road on the east of it which parallels it very closely, called the Blair Line, isn't there?

A. It is on the east part of the time. We cross it several times.

Q. That Blair Line does not depart from your road more than about 12 miles at any point, except as you say the ter-
9314 mini?

A. Yes sir, I believe that is so.

Q. How far would it be from your road at those points?

A. At the termini?

Q. Yes?

A. When we figure at the Olathe end, I presume it would be about 15 to 18 miles over to the other line. I am guessing at that. I would not know exactly.

Q. That would be the most distant point?

A. I wouldn't say it was. I would not say it was over 20.

Q. At the time this road was built, the Kansas City, Ft. Scott & Gulf, I believe it is called, extended from Kansas City through Olathe, Ash Grove, and on to Memphis and the Gulf, didn't it?

A. I think this was done before this road was built.

Q. I say before this road was built?

A. That was their main line.

Q. You say this road has never paid expenses but one year, and that was 1894?

A. So far as my researches have gone, that is the only year they met all obligations.

Q. It has been running behind from $100,000 to $125,000 each year?

A. That is based upon figures for the years since it has been operated as an independent property.

9315 Q. How long has that been?

A. That is for a term of seven years, I have figured it.

Q. So that for three of four years, Mr. Smith, before there was any amendment to either the freight or passenger laws, so far as rates were concerned, your road was losing about $100,000 a year?

A. That is true.

Q. And the rates before 1905 had been stationary for about 30 years in this state, hadn't they?

A. That is too far back for me.

Q. It is a long time, so far as your railroad experience goes, since there has been a change made in the rates?

A. In the state rates?

Q. Is that so?

A. That is a fact so far as I know.

Q. If your road, since it has been operating independently, that is about 7 years, was losing about $100,000 a year, how was that deficit made up?

Mr. HAGERMAN: That is objected to as immaterial.

The COURT:

Q. The evidence will be received subject to the objection.

A. That deficit has been made good since 1901 by the St. Louis & San Francisco Railroad.

Q. Before that, what company made good the deficit.

A. The Kansas City, Ft. Scott & Memphis.

Q. At the time this road was built, I believe you have stated already that the Kansas City, Ft. Scott & Memphis operated its road
9316 through Olathe and also through Ash Grove?

A. Yes sir, its main line.

Q. And this line, the Kansas City, Clinton & Springfield has its southern terminus 19 miles north of Springfield, and its northern terminus 20 miles south of Kansas City?

A. Yes sir.

Q. It does not connect with the two great commercial centers?

A. No sir.

Q. And it does not pass through any city of importance in its entire length?

A. No sir.

Q. At the time it was constructed, do you know whether the Kansas City, Ft. Scott & Memphis guaranteed its bonds?

A. I do know that it did.

Q. And they kept up the deficit on this road until the Kansas City, Ft. Scott & Memphis was sold to the Frisco, and since that time the Frisco took over the Ft. Scott Road subject to this burden of guaranteeing the bonds of the Kansas City, Clinton & Springfield?

Mr. HAGERMAN: Not guaranteeing them, but they assumed them.

Q. As I understand it, they assumed that obligation as one of the considerations under which they obtained the lease of the Kansas City, Ft. Scott & Memphis property.

9317 Q. Do you know whether or not this road was constructed in the first place because of expected developments of coal fields in Bates, St. Clair & Henry counties, rather than to connect with any great commercial centers such as Springfield and Kansas City?

A. I only know that from hearsay.

Q. You just heard that?

A. I heard that was the object of its construction.

Q. And the coal fields did not develop as expected, and conse-

quently the road has proven what you might say is a failure from the standpoint of profit making?

Mr. HAGERMAN: That is objected to on the ground that the evidence shows that it is pure hearsay with the witness, and he doesn't know anything about it.

Mr. KENNISH: The road has proved unprofitable, you admit that?

A. That is a fact.

Q. There is a close connection so far as the operation of roads go between the Frisco and this line, of which you are an officer?

A. In what was do you mean?

Q. In the operation of the road. The Frisco owns the line paralleling this road on the east?

A. Yes sir.

Q. That is the line formerly called the Blair road?

9318 A. Yes sir.

Q. Isn't it a fact that each of these roads runs a freight train every day in each direction, but they alternate in the direction in which the trains run. So that there is one train running each way each day?

A. I think that is true.

Q. And that was done as a matter of convenience to the railroads, to the company, and to the public, so that they could have a freight train each way each day?

A. I presume that is true.

Q. There is no competition between the roads at competitive points, where both roads go through the same town, such as between Osceola and Clinton, for instance?

A. I don't know that there is anything there to compete for.

Q. There is no business there?

A. Practically nothing.

Q. Do you say neither of these two roads does any business worth competing for in those two towns. Those are the largest towns on the road aren't they?

A. I should not say there is any business to justify any active competition. They are located very differently in both of the cities. Each road would get the business coming naturally to it any way.

Q. There is no competition so far as connecting roads or anything of that kind is concerned.

9319 A. No sir.

Q. There is not business enough in that country for one road, let alone two?

A. In my opinion there is not. Not to make it profitable.

Q. Didn't you hear Mr. Perry, the Superintendent of your company, say not long ago under oath that there was not business enough for one road, in his opinion?

A. That is my opinion.

Q. In this country?

A. That is my opinion.

Q. And yet there are three roads?

A. There are only two.

Q. The Kansas City, Ft. Scott & Memphis almost parallels this road, doesn't it?

A. They are not close enough to it to handle any of the business.

Q. They come to the same point at Ash Grove and Olathe?

A. Yes, and at Olathe. But they make a wide divergence out into Kansas, so practically they do not serve this territory.

Q. But they would compete at Olathe north and Ash Grove South?

Q. Yes, they naturally would.

Q. For freight carried beyond those points respectively?

A. Yes sir.

9320 Q. The stock of this road is owned by the Frisco interests isn't it.

A. Not to my knowledge.

Q. It is owned by Mr. Mather of Chicago, who is a Rock Island man, and by Mr. Hilliard, who is a Frisco capitalist?

A. The record shows that the majority of it stands in their names individually.

Q. To whom did you send your share of stock after you had gotten it and endorsed it? I believe you had one share to qualify you as a director, and you sent a check for $100 00 for your share of stock, which was never paid, and after you had gotten the share of stock you returned it, didn't you?

A. Yes sir.

Q. To whom?

A. The President, H. S. Priest.

Q. Of St. Louis?

A. Yes sir.

Q. You know from the books of the company that all the stock except a share to each of the directors to qualify them is owned by Mr. Mather of Chicago, and Mr. Hilliard (I don't know where he is, but probably you know) that is a fact, isn't it?

A. Except a share of stock to the nine directors, and I believe one or two others, a share each, the balance stands in the name of——

Q. The share standing in the name of the Director he held while qualifying, and then endorsed and returned it?

9321 A. I cannot state what the other directors did. I can state only what I did with mine.

Q. You did not hold your share?

A. No sir.

Q. You never paid for it.

A. No sir.

Redirect examination.

By Mr. HAGERMAN:

Q. It stands in your name?

A. Yes sir.

Q. And you endorsed it in blank and turned it over to the President?

A. Yes sir.

NOTE.—With the exception of the testimony of W. B. Doddridge, as to the value of the property, the complainant here rests.

9322 *Testimony for the Defendants.*

Mr. KENNISH: There was some testimony taken in a Hearing before the Board of Railroad & Warehouse Commissioners, and I believe it is agreed we are to designate such portions as we deem relevant, and we will offer that later. We have not had the time to mark it as yet.

Mr. HAGERMAN: Will that be all right, Mr. Lucas?

Mr. LUCAS: If they do it soon.

The COURT: All copies of Exhibits, and things of that sort must be in before Miss Eagan leaves Kansas City Otherwise it will cause serious delay to the record.

9323 Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the Kansas City, Clinton & Springfield Railway Company for the year 1907, as shown on pages 123 to 126 inclusive, of the printed record of proceedings of said Board, which said pages I now offer in evidence as Defendants' Exhibit "F."

The pages referred to are marked Defendants' Exhibit "F."

NOTE.—In lieu of offering in evidence the statement signed and filed by the Tax Commissioner of the Kansas City, Clinton & Springfield Railway Company with the State Auditor under sections 9339 and 9340 of the Revised Statutes of Missouri with a description and valuation of the length and value of the tracks, depots, tanks and turntables, value in incorporated cities and towns, and description and value of rolling stock of the Company for the purpose of taxation:

It is stipulated and agreed by the parties that the valuation placed upon said property by the said statement, and signed by the Tax Commissioner of the said Board, and filed with the State Auditor was $554,720; and that in said statement no reference was made to nor valuation placed upon the item referred to by the State Board of Equalization as "all other property."

9324 The Defendants here rest.

The Complainant and Defendants both rest, and it is considered that the evidence in case No. 3002 is fully submitted with the exception of the testimony of W. B. Doddridge as to the value of the property of said Company, and any rebuttal testimony thereto which the defendants may offer.

9325 FRANK NAY recalled, testified as follows:

Direct examination.

By Mr. FRANK HAGERMAN:

Q. You said you would make up a statement: you gave practically the percentage of division between state and interstate of the miscel-

laneous freight and passenger revenue on the Rock Island, and you were to make up that statement?

A. I am to blame then. I remember I was to do that.

Q. You made it for the interstate?

A. Yes.

Q. Will you prepare and hand in as an exhibit that statement?

A. Yes sir.

9326 No. 2998.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY
vs.
JOHN A. KNOTT et al.

The above entitled cause coming on for hearing before the Honorable Smith McPherson, District Judge, on Tuesday, December 29, 1908, the parties appeared by their respective counsel, Messrs. Hagerman and Spencer representing the complainant and Messrs. Lehmann, Ladd & Kennish representing the defendants.

Thereupon to sustain the issues upon its part, the complainant introduced the following evidence:

9327 C. I. STURGIS, a witness of lawful age being duly produced, sworn and examined, on the part of the complainant, testified as follows:

Direct examination.

By Mr. FRANK HAGERMAN:

Q. You are the General Auditor of the Burlington Road?

A. Yes sir.

Q. And in the proceedings under the law of 1905 you were quite extensively examined as to your various accounts and statements, were you not?

A. Yes sir.

Q. Have you prepared a statement as to the passenger business under the two cent rate law?

A. I have. I believe the State has a copy of this, and there is one correction that should be made on that.

NOTE.—The correction referred to by the witness is thereupon made on all copies.

Mr. HAGERMAN:

Q. Mr. Sturgis, how much from the passenger business, does that statement show your surplus to be before anything is deducted for extra cost?

A. $263,668.84. That actual figure is not on the exhibit.

Q. But that is the deduction?

A. Yes, it is the deduction under section "B" of page 2.

Mr. LADD:

Q. What is that deduction?

A. $263,668.84.

9328 Mr. HAGERMAN: At 50% increased cost, which was the figure testified to by Mr. Eustis, where would you stand as to surplus?

A. (After figuring.) It would leave a deficit of $22,097.37.

A. That is the whole, regardless now of any return upon the property?

A. Yes sir.

Q. Have you a calculation made showing what it would be if the increase was 15%, 25% or 35%—what would be the increased cost?

Q. The increased cost at 15% would be $98,000 in round figures. At 25% it would be $158,000 in round figures, at 35% it would be $212,000 in round figures.

Q. And at 50%?

A. $286,000 in round figures.

Q. Assuming the State Board's valuation as figured here, three times the assessment, what is the result as to the apportionment upon a revenue basis of the 6% return you would be entitled to?

A. It would allot to local passenger earnings a charge of $417,620.02.

Q. And this $263,000 surplus you had without regard to extra cost?

A. Yes sir.

9329 Q. Have you a statement prepared showing those calculations?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence this paper.

The paper referred to is marked "Complainant's Exhibit No. 98."

Complainant's Exhibit No. 98 is in the words and figures following to-wit:

9330 Q. Have you a calculation prepared showing how much more money you would have received during the year ending July 1, 1908, both state and interstate, if you had been permitted to charge the rate which you were charging prior to the passage of the two cent law?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence that statement.

The paper referred to is marked "Complainant's Exhibit No. 99.

Complainant's Exhibit 99 is in the words and figures following to-wit:

9331 Q. Take the Burlington Road in Missouri, and upon the state passengers, what is the actual loss? That is, how much more money would you have received this last year, if you had been entitled to charge what you charged before the two cent law was passed?

A. From the state passenger business, the loss per passenger per mile was .48 cents, which applied to the total passenger miles of state business, amounted to $394,878.77.

Q. Your loss, calculated in the same way as to interstate passengers was what in Missouri?

A. The loss per passenger per mile was .27 cents, and that applied to the passenger miles of interstate business if $261,556.41, making a total for all passenger loss of $656,435.18.

Q. That is the total loss, state and interstate, in the State of Missouri?

A. Yes sir.

Q. It is quite an expensive and difficult task to take from the way-bills, and it is a long tedious and expensive job to take for a year's time, and separate from the way-bills that which is state and that which is interstate?

A. Long and expensive.

Q. It is very expensive?

A. Yes sir.

9332 Q. And you went to great expense under the Act of 1905, not only giving your own time, but the time of your employés, to the State experts to make any examination they wanted from the books of your company?

A. We did.

Q. So, in making up your statement regarding the freight business, under the 1907 law, you assumed that the other work had been so thorough that the percentage of distribution could be applied to the total state freight earnings?

A. That they probably would be approximately the same.

Q. That is your judgment from your familiarity with the figures?

A. I have no reason to think there would be any difference.

Q. And when you got through with the Burlington case, under the Act of 1905, outside of the theories, Mr. Sturgis, there was practically no difference between you and the State's experts as to the figures?

A. I believe there was none. I believe we agreed thoroughly.

Q. So you think it would be fair, taking your expenses for the year ending June 30, 1907, and taking the revenues from freight, to divide them in the same proportion as they were actually divided in 1905?

A. Between state and interstate?

Q. Yes.

—. ——.

9333 Q. The reason for that being that you are satisfied that is correct, and you would thus save that enormous amount of expense and trouble?

A. Yes sir.

Q. Have you prepared a statement on that theory, making that division of your freight for this last year?

A. I have, basing it on the figures for the year ending June 30, 1908.

Q. Have you that with you?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence this statement.

The paper referred to is marked "Complainant's Exhibit 100."

Complainant's Exhibit 100 is in the words and figures following, to-wit:

9334 Q. The result of that statement is, after you take out the diminution in freight earnings that would have accrued, how much surplus have you left?

Mr. LADD: Is that something different from this (indicating)?

Mr. HAGERMAN: That takes the freight, Mr. Ladd, and divides it upon the percentage that it was actually divided in 1905. And this shows the freight undivided as between state and interstate. Now he has divided it as between state and interstate for 1907 upon exactly the same percentage as was given in figures for 1905.

Mr. LADD: Doesn't he divide the freight?

Mr. HAGERMAN: No, that is passenger, and leaves the freight undivided.

Q. Mr. Sturgis, how much surplus have you as shown in that statement?

A. The surplus worked out on the plan just described is $140,975.67.

A. And what was the six per cent return upon the proportion of that valuation of the property, based upon the State Board's assessment for this strictly freight business?

A. For the freight $472,092.76.

Q. That is without regard to any extra cost. It lacks the difference between those sums of equaling that return?

A. Yes sir.

9335 Q. You have figured out the extra cost upon the basis of 50% more, twice as much and three times as much: take now your minimum figure there, and tell us what that is?

A. The extra cost on the basis of 50% more would be $472,092.76.

Q. To meet that extra cost how much surplus is there?

A. $140,975.67, thereby leaving a deficit of $331,117.09.

Q. You did in the proceedings under the law of 1905, make a showing of diminution of state freight earnings if the maximum rates had been charged?

A. Yes sir.

Q. And that aggregated $171,000?

A. That was under the act of 1905.

Q. And under this statement you have just introduced as Exhibit 98, you have set out the diminution under the act of 1907, which is $117,388.07?

A. Yes sir.

Q. Have you made a calculation as to what extent there would have been a diminution upon interstate freight earnings, if those state rates had been put in force. Under the Act of 1905, give how much additional diminution there would have been on the interstate business, also under the Act of 1907?

A. Applying the same per cent of diminution to be found in the state business to the interstate business if would be $700,487.29.

9336 Q. That is under the Act of 1905?

A. That is under the Act of 1905.

Q. What would it be under the Act of 1907?

A. Under the Act of 1907 it would have been $477,647.79.

Mr. HAGERMAN: I will offer in evidence this statement.

The paper referred to is marked "Complainant's Exhibit No. 101." Complainant's Exhibit No. 101 is in the words and figures following, to-wit:

9337 Cross-examination.

By Mr. LADD:

Q. Mr. Sturgis you testified in this case at great length two or three years ago, two years ago certainly?

A. Yes sir.

Q. And you presented some statements covering operations of the company for the years 1904 and 1905?

A. I did.

Q. Statement of earnings and expenses?

A. Yes sir.

Q. According to this Exhibit 98, offered to-day, which purports to cover a period of one year ending June 30, 1908, that is correct, isn't it?

A. Yes sir.

Q. Let me see now if I understand you: this shows your total operating expenses in Missouri for that period to have been $10,301,534.53: am I right?

A. That is correct.

Q. It shows your total earnings from all sources, freight, miscellaneous and passenger, state and interstate in Missouri, during the same period, to have been $12,317,122; that is correct?

A. That is correct.

Q. For that period what was the percentage of your total operating expenses in Missouri to your total earnings?

A. Approximately 83⅓%.

9338 Q. Your operating expenses were 83⅓% of the earnings, approximately?

A. Yes sir. That includes taxes.

The COURT: It does not include interest, or does it?

A. It does not include any interest.

Mr. LADD: What were they in 1904 and 1905 respectively, according to the statements which you made up for this years?

A. In order to understand just what you want, let me remind you that our figures for 1904 and 1905 included rentals. You remember, perhaps, the old question about the rental, which was then paid by the Railway Company to the Railroad Company, which actually covered interest and dividends.

Mr. HAGERMAN: I think we ought to explain that to Judge McPherson right now, because it has not been referred to, if you will let me do that, Mr. Ladd?

Mr. LADD: Suppose we exclude it?

Mr. HAGERMAN: I would like for the Judge to get in his head just what it was.

The COURT: Of course I know in a general way there was an operating company called the Railway Company, which paid rent to the parent company.

Mr. HAGERMAN: That arrangement has been cancelled. Under

the old statement the rental was carried as a part of the
9339 expenses, but an order of substitution has been filed here, which you signed by consent, and that element of operating expense goes out of the statement now.

Mr. LADD: I know, Mr. Sturgis, there was a very large amount, several million dollars, included in the statement under the head of expenses, for rentals, please exclude that?

A. And make it on the same basis I have made the other?

Q. Yes, make it on the same basis you have made this (indicating)?

A. Roughly the per cent in 1904 was 60% and in 1905 it was 66%.

Q. The per cent of operating expense during the last fiscal year was 83.6%, and during 1904 was how much?

A. Approximately 60%.

Q. And for the year 1905 was how much?

A. 66% approximately.

Q. Your gross earnings in Missouri for 1904, 1905 and 1908 were not very materially different. They were not exactly the same?

A. There was a diminution in gross earnings in each of those years. That is to say they were less in 1908 than they were in 1904 and 1905.

Q. How much less were they in 1908 than they were in 1905?

9340 A. $267,000 in round figures.

Q. Out of 12½ million dollars?

A. Yes sir.

Q. And about $575,000 less in 1908 than they were in 1904?

A. Yes.

Q. Out of a total earnings of almost $13,000?

A. Yes.

Q. That would not be a very great disparity, we would not consider it taken in connection with the magnitude of those figures?

A. It is a very considerable disparity when compared with expenses.

Q. I haven't got to the expenses yet?

A. As a figure by itself the variation is not very great.

Q. The variance in earnings is not very great, considering the figures themselves are large.

Your expenses in Missouri during the last fiscal year were what?

A. $10,301,543.53.

Q. How much were they for the year 1905?

A. The corresponding figure is approximately $8,277,000.

Q. And for 1904 what is it?

9341 A. $7,718,000.

Q. So that while your earnings for those years as compared with each other, do not show any very great disparity, your expenses in making those earnings show a difference between 1904 and 1908 of something like $2,600,000; and between 1905 and 1908 something like $2,025,000: is that right?

A. I beg your pardon, but I did not follow those figures. I thought you were reading them off.

Q. No, I am subtracting in my head. So your earnings, while they do not show any very great differences in those three years I have mentioned, your expenses incurred in making those earnings show that in 1908 they were $2,600,000 approximately more than they were in 1904, and $2,025,000 approximately more than in 1905?

A. That is approximately so.

Q. Your earnings in 1908 were how much less in percentage, approximately, than they were in 1905?

A. About 2%. A trifle over 2%.

Q. I will ask you again how much less were your earnings in 1908 than they were in 1905, in percentage?

A. About 2%.

Q. How much greater were your operating expenses in 1908 than they were in 1905?

A. Approximately 20%.

Q. 1/5 more?

9342 A. Yes.

Q. Now, Mr. Sturgis, I suppose there is some explanation for that large increase in expenses in this last statement, over your statement for the other two years?

A. Yes sir, I think there is very properly an explanation. Take the question of taxes alone: We find the operating expenses on the whole increased 20%, and the taxes increased 40%. Also take the question——

Q. Wait a moment. You have spoken of the question of taxes. What percentage of your total expense is the taxes approximately, year by year?

NOTE.—The witness here calculates.

Q. I will withdraw that question, because that takes a little figuring, and I will ask how much more were your taxes for the fiscal year ending June 30, 1908, than they were for the fiscal year ending June 30, 1905?

A. The difference between $198,000 and $237,000.

Q. Roundly speaking that is $40,000?

A. Yes sir, $40,000. About 40%—I beg your pardon, that is not 40%: it is 20%. That is an error on my part. That is the same per cent as the expenses, 20%, instead of 40%, if I may correct that.

Q. That explains that to that extent. Now what else?

A. The labor and coal I believe will both be found to be very considerably more, especially the labor.

9343 Q. Under what head does that come?

A. That comes all the way through, under practically all the heads except traffic.

Q. Under what heads?

A. Maintenance of way and structures, maintenance of equipment, transportation and general expenses.

Q. Labor: now let us confine ourselves strictly to labor. Do you mean by that the wages of your men on the trains?

A. Yes sir.

Q. And the wages of the men you employ on your right of way?

A. Yes.

Q. The wages of all the men you employ?

A. Yes sir. While I have not any figures with me now, I think it is well understood that the wages of all classes of labor have increased very materially right up to this last year.

Q. How much in 1905?

A. I have not any figures with me to tell you what that would be.

Q. What else?

A. Material, I think has increased in price. Coal and fuel goes up every year. Ties go up very, very rapidly.

Q. You think the increase in the wages of the men, and the cost of material, and the cost of fuel, and the increase in your
9344 taxes, would account for this difference of something over $2,000,000?

A. I don't know how much of it it would account for. It would require an analysis of expenses in order to answer your question, Mr. Ladd, and I have not made such an analysis.

Q. You have the same mileage in Missouri that you had in 1905, haven't you?

A. I believe it is about the same.

Q. How much more have you charged here in Missouri for the maintenance of way and structures, for the fiscal year ending June 30, 1908, than you did for the fiscal year ending June 30, 1905?

A. All this takes some little calculation, because I have the expenses in detail divided between freight, miscellaneous and passenger.

Q. Can't you do that?

A. I shall have to make the calculation. Maintenance of way and structures?

Q. Yes?

A. I also want to say that you cannot compare by the detail very closely, because there have been a number of changes made by the Interstate Commerce Commission, which vary the classifications. There are now five instead of four classifications, and some of the accounts have been changed around from one account to the other, so you cannot compare under the details of the general headings, but I will make the calculation if you desire to have me do so.

9345 Q. I would like to know how much more you paid for maintenance of way and structures in 1908, as compared with 1905 or 1904, if you can do so without taking too much time?

A. It will not take very long to figure. The figure for 1905 for maintenance of road and structures as shown in exhibit No. 1, is $1,751,000: and in 1908 is to $3,164,000, or $1,413,000 increase.

Q. And what is the percentage of increase approximately?

A. 40%.

Q. Oh, it is a great deal more than that, Mr. Sturgis?

A. Not a great deal.

Q. Isn't it over 80%?

A. Or, no—Oh, yes, I was figuring on the percent of the 1908 figures. I beg your pardon (after calculating). Yes, it is a little over 80%.

Q. That is nearly $2,800 per mile for 1908, isn't it?

A. Approximately $2,800 per mile.

Q. That is an extraordinary expenditure, isn't it, Mr. Sturgis?

A. It is one that was incurred.

Q. What was the expenditure on your entire system for maintenance of way and structures?

A. I haven't that figure with me.

Q. Haven't you your annual report?

A. Yes sir.

9346 Q. What is that figure?

A. Approximately $1,600 per mile.

Q. As against $2,800 in Missouri?

A. Yes.

Q. For the same period?

A. Yes.

Q. Take your maintenance of equipment: how much did that increase in 1908 over 1907, in dollars?

A. $375,000.

Q. Approximately what percentage of increase was that?

A. About 23% approximately.

Q. And approximately how much was that per mile, nearly $1,800?

A. You mean 1908 figure?

Q. Yes?

A. Yes.

Q. And how much was it on the system for the year 1908, for maintenance of equipment?

A. Approximately $1,400.

Q. As against $1,800 in Missouri?

A. Yes sir.

Q. Now, Mr. Sturgis, I will tell you just what I have got in my mind: Your operating expenses for the year 1908, in Missouri, you say are approximately 83.6% of your gross earnings. According to the testimony which has been given here, while your

9347 operating expenses are 83.6%, the operating expenses of the other roads have been as follows: The Frisco about 71%. The Santa Fe about 72%; the Kansas City Southern a little over 70%; the Missouri Pacific over 75%; the Missouri, Kansas & Texas about 74%; the Chicago, Milwaukee & St. Paul 70%; the Chicago & Alton about 74%.

Now when your statement shows 83.6% it surprises me.

A. It is taken from the books. It is the figure that represents the correct figure.

Q. I understand, and it surprised me all the more when I compared it with your previous statements filed in this case for the year- 1904 and 1905, and I wondered if there had not been some mistake?

A. No sir, I do not believe——

Q. In other words, if in your apportionment of expenses to Missouri, you had not put a much larger apportionment than was entirely just (unintentionally of course) to Missouri, than should have been done?

A. I do not think there has been any change in the rule of apportionment since 1904 and 1905. That is, according to my recollection.

Q. Mr. Sturgis, since the 1st of July, 1907, to the 30th of January, 1908, have you been doing any unusual amount of work in the maintenance of way and structures in this state? No railroads have been spending any money they didn't have to,
9348 during that year, and I will ask you if the Burlington did?

A. We have not shut down or been obliged to shut down, quite as closely as some of the other roads in their expenses. I can imagine that if some of the other roads got it down to 70%, our expenses at 83% would not be very far out of line.

Q. And your expenses for maintenance of way and equipment in Missouri, seem to be so much heavier than they are on the system at large?

A. Very often when business slacks up, that is the time a great deal of work is done that could not be done at any other time.

Q. What extraordinary expense for maintenance of way and equipment was incurred by your company during that one period?

A. I have not any in mind. I do not recall any particular job that made the expense very great. I should have to go over the books to pick out the extraordinary work.

Q. I will ask you if there was ever a year in the history of the Burlington Road, when your expense for maintenance of way and equipment was as much per mile as it was in this statement for 1908?

A. Probably not. Our expenses are increasing all the time, and the chances are they will be greater in the future, and we hope the earnings will increase proportionately instead of standing still or going back. You see it is rather a peculiar circumstance to
9349 have a falling off in the earnings over 1904, less even than in that year, for the State of Missouri.

Q. I call your attention to the difference between the percent of operating expenses to earnings, which appears to exist on your road in comparison with some other roads, and I understood you to say that possibly some other roads had not kept up their maintenance of way and structures as well as you had yours: You would not make that criticism, would you, of the Atchison, Topeka & Santa Fe, or Chicago, Milwaukee & St. Paul, or the Chicago & Alton in this state?

A. I would rather not name any particular road, but I know some roads have not had the available money to spend that we have had, and, if I may add, I think the failure of the earnings to increase is very largely responsible for the increased expenses in Missouri.

Q. The shortage of earnings in 1908 as compared with 1905 was only about $260,000 or $270,000?

A. Yes sir, but there should have been a very large increase during those years. One naturally expects in such times as we have had from 1904 well up into 1908, that earnings would increase very materially.

Q. I am not talking about that. We would not expect the earnings to remain stationary, but here it appears that during a period of business depression, when your earnings had not increased as you might fairly expect they would increase during a period of
9350 business prosperity, your operating expenses out of which you earn those earnings, increased vastly.

The COURT:

Q. In percentage?

Q. I don't think you follow my meaning, Mr. Ladd.

Mr. LADD: Not only in percentage, if your Honor pleases, but in dollars, millions of dollars.

The COURT: I can see how a decrease in earnings can decrease the per cent.

Mr. LADD: I can see that, too. But where the earnings remain stationary, and the per cent of operating expenses goes up to the tune of a couple of million dollars or so——

The COURT: I am not talking about dollars, but about per cent. How does it go up?

Mr. HAGERMAN: 20% he said for 4 years, and the earnings stationary.

Mr. LADD: The per cent went up, while not quite 20%, in the neighborhood of 20%?

A. Yes.

Q. Mr. Sturgis, I am requested to ask you a question about your method of division of expenses between freight and passenger: first, we have your total operating expenses in the state: upon what basis do you divide those expenses between freight and passenger?

A. You are referring to exhibit 98?

Q. Yes.

A. The expenses are divided between freight, miscella-
9351 neous and passenger on the revenue basis.

Q. On the gross earnings basis?

A. On the per cent that the earnings for each of those classes bears to the total earnings, what is known as the revenue basis.

Mr. HAGERMAN: That is, the expenses are so divided?

A. The expenses are so divided.

Mr. LADD:

Q. Your total operating expenses are divided, and you charge the freight, passenger and miscellaneous in respectively the same proportion that the gross earnings of those three branches of the service bear to the whole of the gross earnings?

A. Yes sir.

Q. It has been represented here very often by many witnesses who

have been on the stand, that one method, and a proper method (it is not for me to say whether it is proper or not) of dividing expenses between freight and passenger, is to allocate certain expenses to passenger, and certain expenses to freight, which can be definitely traced to those two branches of the service. You do that first, and then as to the other expenses, which may be common to both, you divide upon what might be regarded as a fair basis: you have not done it in that way, have you, Mr. Sturgis?

A. We have not done it that way in this statement.

Q. You divide the expenses according to the gross earnings?

9352 A. When you have three divisions to divide, freight, passenger and miscellaneous, I think that is the only feasible way.

Q. On page 2 of exhibit 98, up at the top of the page, under subdivision 4, headed "percentages," I find this: "miscellaneous $892,401.30," you have that before you?

A. Yes sir.

Q. That means miscellaneous earnings, doesn't it?

A. Yes sir.

Q. Can you divide that so as to show the amount of miscellaneous passenger earnings, and the amount of miscellaneous freight earnings, I understand that includes them both?

A. The greater part of it could be divided in the same manner we did in the previous figures, for either 1904 or 1905, I do not recall which.

Q. How is that?

A. By seeting aside those earnings that are due to the running of passenger trains, handling of baggage, or leasing of space in the Union Depots, to passenger; and setting aside the earnings from storage, and some other freight miscellaneous earnings, to freight.

Q. Have you divided those?

A. No sir, not for this year.

Q. I see you have not on this paper?

A. No sir.

Q. I find an item included in these miscellaneous earn-

9353 ings, $892,401.30, which I understand is taken from your books, and one item called miscellaneous transportation revenue $33,334.59: how would you divide that between freight and passenger?

A. I do not recall at this moment what that covers. I should have to look at the books to tell what the analysis is. Being only $33,000 it is comparatively a small amount.

Q. On what basis would you divide it off hand?

A. I saw the pencil notation "freight" opposite. I suppose some investigation has led to the conclusion that that is a freight item, but as I say, I do not recall what it is.

Q. It says "freight and passenger:" It doesn't say freight. It says freight and passenger revenue. It does not undertake to divide it?

A. I think probably the most equable basis, as long as it is Trans-

portation, would be on passenger and freight train mileage, if it does not belong in one or the other branches of the service.

Q. Would that same rule apply to the other items that cannot be specifically located?

A. Yes sir, if you have to divide the miscellaneous, I should give preference to that method:

9354 Questions by Mr. KENNISH:

Q. During the month of June, the last fiscal year, there was part of the time, in fact almost the whole of the month, that the operation of the Burlington trains was interfered with in Missouri by floods, were they not?

A. This last June?

Q. Yes?

A. We had some trouble, but just how extensive it was you will have to inquire of our operating department. Of my own personal knowledge I don't know.

Q. Don't you know, Mr. Sturgis, that here in Kansas City the trains from Council Bluffs and St. Joe, were 6 to 8 hours late for a good part of the month, and that they came to Kansas City over the Rock Island line, and did not come on the Burlington line of road at all for a good part of that month?

A. I dare say that is so, Mr. Kennish, but I don't personally know if of my own knowledge. I was either tied up at Chicago, or was gone to Washington so much of this year that very naturally I might not have it called to my attention.

Q. If that is true, might it not account in part for the decrease in earnings, and the increase in expenses, as compared with other years?

A. Yes, undoubtedly anything of that sort would tend to decrease earnings and increase expenses. Floods always do.

9355 Q. Wouldn't your road have to pay extra expense for the use of other lines over which your trains were run during the period of high waters?

A. Yes sir.

Q. And you would have to stop the transportation of freight during that period?

A. Unless we could send it over other roads. Freight would be sent over those other roads, if it continued more than a few days.

Q. That would swell the expense during that fiscal year, wouldn't it?

A. Undoubtedly, but I don't think the expense would be anything like the expense in Kansas City a few years ago.

Q. That was in 1903?

A. Yes sir.

Q. That was in the fiscal year 1903, rather than the fiscal year 1904, with which comparisons were made in your statement here. I believe your road has been making a good deal of improvements along about St. Joe and from there north, in the last year or two, hasn't it, Mr. Sturgis?

A. Yes sir.

Q. Double tracking the road, and I believe there is a double track now for a distance of 30 odd miles from St. Joe north?

A. I know there has been some work done there for a good
9356 many years past, but just how far they have gotten at this time I do not know.

Q. Do you know whether or not that might explain in part the increase of expenses in Missouri?

A. The expense of double tracking would not go to operating expenses.

Q. They would not be charged to operating expenses at all?

A. No sir, not charged to operating.

Q. That would be charged to capital account?

A. No sir, it would be charged properly to "cost of roads." That is what you call "capital account." That term is used ambiguously sometimes.

Q. Do you know whether any of the earnings have been charged to replacement of the Hannibal & St. Joe Bridge in the last year or two?

A. No sir, none has in this last year.

Q. In 1904 and 1905, there was a sum of $500,000 set apart for building a new bridge here at Kansas City?

A. Yes sir.

Q. And that was taken out of the earnings, and——

A. It was taken out of the operating expenses, as I recall it. That was charged to operating.

Q. It was taken out of the gross earnings of the road?

A. Only as all operating expenses are deducted.

Q. It was charged up as part of the operating expenses?

A. Yes sir.

9357 Q. That fund has never been used to rebuild the bridge?

A. No sir, that bridge is still as it was.

Q. Has there been any corresponding sum taken out in the last year?

A. I don't think we have taken out any such sums for the last two or three years. I should say certainly not for two years.

Q. That sum is still set apart and held by the company to rebuild that bridge?

A. The total amount taken, as I recall it, was $900,000, and that is set up as a special fund for the purpose of rebuilding that bridge.

Q. When was that set apart for that purpose?

A. I remember that in both 1904 and 1905, and some prior to that.

Q. But it is still retained in a special fund for that purpose?

A. It still shows on our books as a reserve fund for that purpose.

Questions by Mr. LADD:

Q. That $500,000 and $400,000, making about $900,000, appeared in the statements which your company filed in this litigation two or three years ago, as a part of your operating expenses, which were to be deducted from earnings: that is true, isn't it?

9358 A. My recollection is that was included in the operating expenses of those years.

Q. $900,000 for the repair or rebuilding of the Kansas City Bridge?

A. My recollection is that $900,000 was the total amount covering a series of years, and I think Mr. Kennish is right in saying that in the figures produced in this case for one of the years, the item was $500,000. My statement is from recollection, but it is all in the record.

Q. My recollection concurs with yours that one year you charged your operating expenses with $500,000, and the next year with either $300,000 or $400,000 for the same purpose. You added that to the operating expenses, so as to reduce your net earnings, and it was testified to by yourself and others, that that was set aside for the purpose of rebuilding the Kansas City Bridge: has any part of that been used up to this date for that purpose?

A. No sir.

Q. Have you your annual report there?

A. Yes sir.

Q. I notice on page 5 of the annual report of the company for the year ending June 30, 1908, that out of the earnings for that year you paid dividends amounting to $8,867,128.00: what rate was that on the stock, what per cent?

A. That was 8%.

9359 Q. 8% on the entire capital stock of the company?

A. Yes sir, approximately $110,000,000.

Q. Beside paying interest on all the mortgages?

A. Yes sir, that is right.

Q. Both the general and underlying mortgages?

A. Yes sir.

Q. On all the properties controlled by your company?

A. Yes sir.

Q. And in addition to that you charge to income $3,225,933.57 for betterments: that is correct, I have no doubt?

A. Whatever the figures are in the report are correct. I haven't them in mind.

Q. And in addition to that $676,000 went into the sinking fund?

A. Yes sir.

Q. What was the net operating income of the company for that fiscal year. I understand this refers to the system?

A. The operating income was $20,005,002.50.

Q. That means what the company made net after the company has paid all its operating expenses?

A. And taxes, too, I believe are deducted from that figure.

Q. Yes, taxes were deducted too, operating expenses and taxes?

A. Yes sir.

9360 Q. That was sufficient to pay nearly $7,000,000 interest on the bonds: to pay $676,000 into your sinking fund; to spend $3,225,000 for betterments, and to pay $8,867,000 in dividends (being 8%) on all your capital stock, and it left you a small surplus of a few thousand dollars: that is right, isn't it? It left you a surplus hardly worth mentioning, $20,000 or so?

A. That is correct.

Q. That is for the system?

A. Yes, that is the system.

Q. Now, Mr. Sturgis, I notice on page 4 of this printed annual report, that your operating expenses for the system were approximately $3,000,000 greater for the fiscal year 1907, than they were for the fiscal year 1908: am I right about that?

A. It is not quite a fair comparison with those two figures, as shown by these two notes, because the restaurant dining car expenses are all cut out under the new classification of operating expenses, but the total operating expenses were less, as shown by this report.

Q. How much less, after making allowance for those things?

A. I cannot tell, because the operating expenses of those are not shown. Those are now kept as separate accounts, and the net result carried into the account. They are what Mr. Adams of the Interstate Commerce Commission calls outside revenue.

Q. Approximately how many dollars difference would that make?

9361 A. My estimate would be that the operating expenses as shown under the fifth head, show a decrease of at least $2,000,000 on the system, for the year ending June 30, 1908, as compared with the year ending June 30, 1907.

Q. After making those allowances?

A. Yes sir.

Q. $2,000,000 instead of $3,000,000?

A. At least $2,000,000. I cannot tell you just how much, but at least $2,000,000.

Q. Can you tell me what the operating expenses in Missouri were for the year ending June 30, 1907? Your statement shows what they were for the succeeding year?

A. No sir, I haven't that.

Q. Would it be possible for you to send those to Mr. Hagerman after you get home?

A. If they are made up. I am not sure they are made up for last year.

Q. If you have them, and they are made up, I would like them upon the same basis as they appear in this exhibit 98, you understand?

A. Yes sir.

Q. Instead of $10,301,834.53, what were they for the preceding year?

A. ——

Q. Can you tell what the total earnings per mile were on the system for the year ending June 30, 1908?

9362 A. Approximately $8,700.

Q. Do you know what they were for the same period in Missouri?

A. $11,200 approximately.

Q. And what was it on the system?

A. $8,700.00.

The usual hour for adjournment having arrived, the further hearing of testimony is postponed until to-morrow, Wednesday, December 30, 1908, and then to be resumed at 9 o'clock in the forenoon.

9363 KANSAS CITY, MO., *December* 30, 1908.

Met pursuant to adjournment as above on Wednesday, December 30, 1908, at 9 o'clock in the forenoon.

Present parties as before.

The following proceedings were had:

Cross-examination of C. I. STURGIS continued.

By Mr. LADD:

Q. Have you before you Mr. Sturgis Exhibits 100 and 101 that you handed in last evening: one is headed statement for 1907 as to freight, and the other is headed diminution in state freight earnings?

A. I don't appear to have those last exhibits. No. 98 is the only one I have here.

Q. In the exhibits filed a good while ago, you made calculations as to the loss which your company would have sustained in state freight earnings if you had carried the commodities mentioned in the law of 1905, at the rates fixed by that Act. That was done a good while ago?

A. Yes sir, that is in Exhibit 1, I think.

Q. In these two exhibits, 100 and 101, which you gave us last evening, you have tried, I think, to state what the corresponding loss would have been under the Act of 1907, haven't you?

A. Yes, sir, that applies to 1907. That is, the last part
9364 of Exhibit 100 does.

Mr. HAGERMAN: Exhibit 100 relates to a different subject. That is prepared to show what it would have been if like rates had been applied to interstate on both theories.

Mr. LADD: Those two statements refer to the fiscal year ending June 30, 1908?

A. Yes sir. Applying the loss shown on the prior statement.

Q. You tried to ascertain what the diminution in the state freight earnings would have been consequent on the law of 1907, if it had been observed?

A. Yes.

Q. What that loss would have been in the fiscal year ending June 30, 1908?

A. Yes sir.

Q. How did you arrive at that?

A. We took the per cent that we found in the previous calculation, as applied to the year 1905.

Q. Let me see if I understand you. You ascertained what the loss would have been under the Act of 1905?

A. Yes sir, what per cent it would be.

Q. And you took that same per cent of your state freight earn-

ings in that year, and applied it to the state freight earnings of 1908, thinking the loss would be relatively about the same proportion: is that it?

A. That is correct.

9365 Q. Haven't you, Mr. Sturgis, instead of doing that, in one of those statements, taken the actual loss in 1905, as it was shown by the preliminary statements, instead of taking some proportional loss. Your loss in 1905 would have been $117,388.07, wouldn't it?

A. That is under the 1907 law, as I recall it.

Q. That was the amount, wasn't it?

A. The decrease based on the 1905 law was shown by Exhibit 1 to have been $179,122.07: and then when we applied the 1907 law to the 1905 figures, that was reduced to $117,288.07, as I recollect it.

Mr. HAGERMAN: Here it is in detail as you figured it in September, 1907.

Mr. LADD: What are those figures $117,388.07?

A. As I recall it those figures are the diminution under the 1907 law.

Q. For what year?

A. As applied to 1905.

Q. Haven't you inadvertently used those figures for 1908 in the statement you handed in last night, instead of using the other figures. I know you have not intended doing so, but I think that is what you did.

A. We found that this $117,388.07 was 7.4% of the state earnings. Then we applied it, that same per cent, to the interstate freight rates.

9366 Q. I know. But now you take 7.4% of the state freight earnings for the year 1908, instead of $117,388.07.

A. We found $117,388.07 was 7.4% of these state freight rates for this last year.

Q. Do you mean to say the loss in 1905 was exactly the same as it was in 1908?

A. No sir, we used the figure we found in 1905, and found out what per cent that was of the state freight earnings, and applied that to the interstate. That is this calculation No. 3.

Mr. HAGERMAN: You are talking about one thing, Mr. Sturgis, and Mr. Ladd is talking about another.

Mr. LADD: Your loss on the state freight, according to the statement which you prepared sometime ago, was $117,388.07 that is, what it would have been in 1905 if the Act of 1907 had been in force at that time, and you had observed it: that is right, isn't it?

A. Yes sir, that is right.

Q. Then in the figures handed in last night you used that as the loss which you would have sustained also in the year 1908?

A. You are referring to this specific Exhibit No. 101, which I have here?

A. Yes.

A. We have taken the decrease as being the same, to find out what per cent it was of the state, and applied that to the interstate figures, and that is this calculation right here (indicating).

9367 Q. Would the loss in 1905 have been exactly the same as 1908? That would be a remarkable coincidence.

A. For this calculation we used this figure.

Q. Mr. Taliaferro thought you would use the percentage to arrive at the figures for 1908, and he thought that was very fair. But he thought you had not done so?

A. We used the same figure.

Q. Then you did not use that percentage?

A. No sir, but we applied the percentage.

Q. If you had used the percentage you intended to use, what would it had been instead of $117,388.07?

A. Did I say I intended to use it?

Q. That is how we understood you?

A. As I understood your question, Mr. Ladd, it is that you object to the use of the identical figure we found in 1905, instead of the per cent, applying the per cent to the state earnings as found for this year.

Q. I do not object. That would hardly express my emotions on the subject. But I wondered if inadvertently you had not used that figure instead of the per cent?

Mr. HAGERMAN: It was not inadvertent, because we served that $117,388.07 figure on you away back in 1907.

Mr. LADD: I think that figure was all right for 1905, but I don't think Mr. Sturgis himself intended to have the impression conveyed here that the loss in 1908 would be exactly the same as in

9368 1905.

A. I think the figure that should have been used would be applying the per cent to the figures of 1908. It would be a difference of only a few hundred dollars, but that would be the proper method.

Q. I will suggest that Mr. Taliaferro says it amounts to something like $5,000?

A. I just made a hurried calculation here, and made it less than $500.00.

Q. I haven't figured it myself?

A. Isn't that right?

A. I don't know.

Mr. SPENCER: It all depends upon the difference in volume, the difference between 1908 and 1905.

Mr. HAGERMAN: There is not enough difference to make very much difference in the entire amount.

A. It is only a few hundred dollars, isn't it?

Mr. HAGERMAN: Mr. Hamilton says it is $5,000.

Mr. SPENCER: Concede it to be $5,000 for the time being, and let us go on. It is not worth while delaying matters for it.

9369 Q. What were the state freight earnings in 1908, if you have it carried forward?

A. The state freight earnings in 1908, as shown by Exhibit 100, were $1,580,529.64.

Q. 7.4% was what?

A. That per cent was applied to that figure.

Q. $117,388.07 was 7.4% of the state freight earnings in 1905?

A. Yes sir.

Mr. HAGERMAN: If that is the right percentage, Mr. Sturgis is right: if not, ascertain it yourself.

Mr. LADD:

Q. What were the state earnings in 1905——

Mr. HAGERMAN: I suggest Mr. Sturgis can figure that off the stand just as well.

A. $1,649,665.75.

The COURT: The difference, as I understand it, is primary arithmetic.

Mr. HAGERMAN: That is all, there is no difficulty about that.

The COURT: I will figure that myself.

Mr. LADD: Will you tell me what the per cent of operating expenses to the total earnings of the system was for the year ending June 30, 1908, approximately?

9370 A. My recollection is 70%

Q. Do you include the taxes in that?

A. We will include them or not, just as you prefer.

Q. Include them please, because your taxes are included in your exhibit for 1908. I only wanted approximately.

A. Between 74% and 75%.

Q. Between 74% and 75%, the operating expenses were on the system; and in Missouri 83.6%.

Redirect examination.

By Mr. HAGERMAN:

Q. Mr. Sturgis, we had agreed with the state, back in June, 1907, as shown in the order at the time of the application for a temporary injunction, as to the passenger rates, that we would give them a statement *of* that diminution would exist under the law of 1907; and of course at that time to get it to them in August or September, or whatever time it was, there was not anything to estimate on except the figures of 1905: that is right, isn't it?

A. That is correct.

Q. So you had to take the law of 1907 and apply it to the business of 1905, to get that estimated diminution of earnings?

A. Yes sir.

Q. And that was served upon the state when?

A. September, 1907.

9371 Q. When you come to fix the figures for the entire year 1908, you have your freight as a whole, (as you said in your direct examination) but you have not gone to the expense of divid-

ing it as between state and interstate, and you have made the division in the proportion it was in 1905?

A. Yes sir.

Q. That $117,000 was 7.4% of the state freight earnings of 1905?

A. Yes sir.

Q. Therefore, you say it would be fair to supply the same per cent, as suggested by Mr. Ladd, to the state freight earnings of 1908, as shown by this exhibit 100?

A. Yes sir.

Q. I have looked at the figures of Mr. Hamilton, and he has this diminution as 7.11% of the state freight earnings in 1905, where you have it 7.4%. But whichever is the right percentage you will figure it out and calculate it, and the amount of difference, whether $5,000 or $500.00, if the revenue theory of division is right, would make no substantial difference in the result of your figures, would it?

A. No sir.

Q. It would not affect the case at all, if the revenue basis is adopted by the Court, whether it is $5,000, as they estimate it now, or whether it is your figure of $500?

A. No sir, it would not make much difference.

9372 Q. Have you prepared a statement showing in detail how you applied the rates in the 1907 law to the business of 1905?

A. I have prepared such a statement. It is using the 1907 law, rewriting Exhibit 1, and putting in the effect of the 1907 law for the diminution.

Q. And that is the only thing that could have been done at that time, because you had not operated under the 1907 law at the time we were required under this agreement to give them a statement.

A. No sir.

Mr. LADD: Is this an additional statement?

Mr. HAGERMAN: Yes.

Mr. LADD: Have we seen that?

Mr. HAGERMAN: Yes, it was served upon you long ago.

Mr. HAGERMAN: I will offer in evidence this paper.

The paper referred to is marked Complainant's Exhibit 102.

Complainant's Exhibit 102 is in the words and figures following to-wit:

9373 The complainant here rests.

Testimony for the Defendants.

A. P. TALIAFERRO a witness of lawful age, being duly produced, sworn and examined testified in behalf of the defendants as follows:

Direct examination.

By Mr. LADD:

Q. Have you prepared a statement embodying some calculations as to the result of the freight operations on the Burlington road in

Missouri for the fiscal year 1907 and 1908, upon several different theories of cost?

A. Yes sir.

Mr. LADD: I will offer that statement in evidence.

The paper referred to is marked Defendant's Exhibit 103.

Defendant's Exhibit 103 is in the words and figures following to-wit:

9374 Q. Directing your attention to Exhibit 103, the first figures are $8,035,229.51 as the total freight earnings in Missouri: you take those figures from complainant's Exhibit 98, do you?

A. Yes sir.

Q. And the miscellaneous freight earnings are fixed at $161,379.41: are those figures taken from Exhibit 98?

A. They are included in Exhibit 98, but we had to separate them, that is, separate the freight from the passenger.

Q. The miscellaneous freight and the miscellaneous passenger earnings are not separated in Exhibit 98?

A. No sir.

Q. But they are given in bulk, is that right?

A. Yes sir.

Q. And you take those bulk figures, and undertake to separate them into miscellaneous freight earnings, and miscellaneous passenger earnings, is that it?

A. Yes sir.

Q. And under your method of separation, whatever it may have been, the miscellaneous freight earnings were $161,379.41, which amount you add to the total freight earnings shown in Exhibit 98, making the total freight earnings in Missouri $8,196,608.92: is that right?

A. Yes sir.

Q. Will you please tell the court upon what theory you separated the gross miscellaneous earnings, divided them between

9375 freight and passenger?

A. We put such items as mail and express in the passenger earnings.

The COURT: And excess baggage?

A. Yes sir, and excess baggage, and any other items we could definitely locate as being freight or passenger respectively. The items about which we were in doubt were divided on a revenue train mileage basis.

Q. How did you ascertain the figures for those items, if any, which you could definitely locate, and assign to either freight or passenger: where did you get the figures?

A. We had an analysis of those miscellaneous earnings.

Q. Where did you get it?

A. By accounts we got from the company's books in Chicago.

Q. And those that could not be definitely located, you divided on a revenue train mileage basis?

A. Yes sir.

Q. How were you able to get the train mileage? Did you get that also from the books?

A. Yes sir, or from the records in Chicago.
Q. The records of the Burlington Company?
A. Yes sir.
Q. Your next item assigns of the total freight earnings $1,612,-272.97 to the state earnings, and $6,584,335.95 to the interstate earnings: You say that dividing these earnings on the per
9376 cent shown on Exhibit 100, that is one of the complainant's Exhibits?
A. Yes.
Q. What percentages were shown in Exhibit 100?
A. 19.67% for state, and 18.33% for interstate.
Q. In dividing these earnings between state and interstate, you followed the percentages adopted by the Burlington Company: is that right?
Mr. HAGERMAN: That is the revenue per cent, is it?
A. Yes sir.
Mr. LADD: You next deal with the subject of operating expenses. The total is $6,793,610.60?
A. Yes.
Q. Are those figures taken from complainant's Exhibit 98?
A. No sir, that is a figure we arrived at as being a part of the $10,320,922.41 chargeable to the freight business.
Q. As a part of what?
A. In that same paragraph you will find the total operating expenses stated as $10,320,922.41.
Q. Well, is this $10,320,922.41 mentioned as the total operating expenses in this exhibit 103, just introduced, the total of the figures shown for operating expenses in complainant's Exhibit 98, after cutting out the taxes?
A. Yes sir, and before deducting the rental paid.
9377 Q. You have excluded taxes?
A. Yes sir, at that point.

Mr. HAGERMAN:

Q. What was that per cent of state freight?
A. 19.67.
Mr. LADD: There is a deduction in Exhibit 98 from these expenses shown in that exhibit for rentals?
A. Yes sir.
Q. I think it has been explained that that means the difference between the rentals paid by the company and the rentals received by the company?
A. Yes sir.
Q. They received more than they paid? Is that right?
A. Yes.
Q. They credit the difference to the operating expenses, and it is shown here in red ink; that makes the operating expenses so much less: is that right?
A. Yes sir.
Q. Your next item referred to rentals amounting to $127,864.22,

which you deduct from the $6,793,610.60 refers to that again: is that a part of that account in rentals?

A. Yes sir.

Q. And you have divided that upon the revenue train mileage basis?

A. Yes.

Q. Complainant's Exhibit 98 shows the ton miles, state and
9378 interstate?

A. No sir.

Q. How do you arrive at that? Is that explained in note 2 to your exhibit 103?

A. Yes sir. We took the freight earnings, state and interstate, before adding the miscellaneous earnings, and divided them by the revenue per ton mile figures shown in exhibit 36 in the Burlington case, in the hearing before the Master, on the assumption in 1907 and 1908 the company earned the same revenue per ton mile on state and interstate freight that it did in the month of September, 1906, the month that we covered in our work in the company's offices in Chicago.

Q. The revenue per ton mile, both for state and interstate freight, in the State of Missouri, for the month of September, 1906, has been ascertained by a joint investigation, had it?

A. Yes sir.

Q. And you take that revenue per ton mile, and divide it into the state freight earnings for the year 1908, and in that way you arrive at the number of ton miles: is that right?

A. Yes sir.

Q. And in the same way at the number of interstate ton miles?

A. Yes sir.

Q. Then your exhibit 103 proceeds to show the results
9379 of these figures upon different theories of cost: first upon the theory that the handling of state freight costs just the same per ton mile as the handling of interstate freight; second, that the handling of state freight costs 30% more per ton mile than the handling of interstate freight; and, third, that it costs 50% more per ton mile than the handling of interstate freight. Am I right about that?

A. Yes sir.

Q. All these summaries which follow the first part of your exhibit 103, show the results upon those different bases?

A. Yes sir.

Q. You have not calculated the net earnings upon the basis of revenue at all, have you?

A. No sir.

Q. It is done upon the cost per ton mile?

A. Yes sir.

Q. When Mr. Sturgis was on the stand a few moments ago, there was a little question that came up here about the diminution in revenue: that diminution in revenue involves that which would have been experienced in the year 1908, if they had conformed to the law of 1907. Is that diminution involved in these figures in exhibit 103?

A. Yes sir.
Q. What figure did you take as the diminution?
A. $112,533.71.
9380 Q. Instead of what?
A. Instead of $117,388.07.
Q. In these figures in Exhibit 103, you have dealt with that diminution as if it were actually something like $5,000 less than Mr. Sturgis figured it in Exhibit 100 or 101?
A. Yes sir.
Q. Have you prepared a statement of results regarding the passenger operations of the company in the state for the year ending June 30, 1908?
A. Yes sir.
Q. Based in a large part upon complainant's Exhibit 98, is it?
A. Yes sir.
Q. In getting at the passenger expenses, note 1 to this exhibit explains that you did that in the same method you have already stated as to your apportionment of the freight expenses.
A. Yes sir.

Mr. LADD: I will offer in evidence this statement.
The paper referred to is marked Defendant's Exhibit 104.
Defendant's Exhibit 104 is in the words and figures following to-wit:

9381 Q. Is there anything you would like to say, Mr. Taliaferro, about this exhibit 104?
A. No sir.
Q. It is self-explanatory, is it?
A. I think it is, Mr. Ladd. I do not believe there is anything I can think of.

Cross examination.

By Mr. HAGERMAN:

Q. You have prepared Exhibits 103 and 104 practically upon the same basis that Exhibits 61 and 64 were prepared in the Frisco case?
A. Yes sir.
Q. And the observations that were made there during cross examination, in the way of questions and answers, are all applicable to these exhibits, to that extent?
A. As I recall them, yes sir.
Q. I want you to take with me, for a moment, exhibit 98, and see where we differ:
Take first the earnings given there for passenger, state and interstate: there is no objection to that, is there?
A. No sir.
Q. That is correct?
A. Yes sir.
Q. So far as expenses are concerned, the grant total is correct?
A. They are figures shown by the company's books, yes
9382 sir.
Q. And so far as the division upon the revenue basis, as Mr. Sturgis made it, that division is correct?

A. We have not worked that out.
Q. There is no objection to it?
A. No objection to it.
Q. And so far as the percentages ascertained, there is no objection to those?
A. No sir.
Q. So I might say, if the division upon the revenue basis, as is stated here, is the right theory to be adopted, there is practically no objection to Mr. Sturgis' statement?
A. Well, all I could say would be that we have not checked the figures. We might do it in the future.
Q. You haven't criticism to make of them now?
A. No sir, no criticism.
Q. So we can say of the Burlington road in general, that if you set aside the passenger earnings upon a revenue basis, the results reached by Mr. Sturgis are approximately correct. There is no objection to it. I will not make you say they are absolutely correct.
A. We have no criticism to make on the calculations.
Q. In Mr. Sturgis' statement he has not divided the miscellaneous earnings or expenses as between passenger and freight.
A. No sir.
Q. And you have undertaken to make a division of them?
9383 A. Yes sir.
Q. In making your division of miscellaneous, you concede as correct, Mr. Sturgis' statement of earnings both as to freight and passenger, strictly speaking?
A. Yes.
Q. And you concede as correct his total of the miscellaneous?
A. Yes sir.
Q. But you make a division of the miscellaneous according to a certain method of your own?
A. Yes sir.
Q. How did you make that division?
A. I say it was according to a method of our own, but we adopted Mr. Sturgis' suggestion made on the stand yesterday, as we understood it, that where items could not be definitely put into either the freight or the passenger column, they should be divided on the revenue train mileage basis.
Q. If the- had to be divided at all, upon any other basis than the revenue basis, that is what you refer to? Mr. Sturgis said if they had to be divided at all other than upon a revenue basis, you could do it by locating so far as possible the locatable items, and then divide the balance on the revenue train mile basis?
A. That is what I meant, if we were to adopt some other than the revenue basis.
Q. Is that in accordance with the division of expenses by the other 17 roads?
9384 A. You are talking about earnings now?
Q. Yes, the division as to earnings. They set out how they divide the earnings?
A. You see the other railroads divide the miscellaneous between

freight and passenger. We did not meet that situation except in the Burlington case.

Q. Did they divide upon the basis you speak of now?

A. I am not clear about that. I think there are variations all along the line, small ones.

Q. The result is, when you made the division upon the basis of locating the earnings, wherever you could, and putting them into freight or passenger, as the case may be, and where you could not locate it, where it is a common expense, you divide upon the train mileage basis, and then you get what result as to the miscellaneous earnings? Now take freight: I have it $127,864.22: that is correct, isn't it?

A. No sir, you are using the rental figure there, Mr. Hagerman.

Q. What was it?

A. The miscellaneous earnings assigned to freight are $161,379.41.

Q. That is the total?

A. Yes sir.

Q. How much of that do you assign to state?

A. I haven't the figures in dollars, but they would be 19.67%.

9385 Q. What I want to get from you, Mr. Taliaferro, if there is any importance to be attached to it—I think you can give it to me right here on this paper, so I will have it before me—Mr. Sturgis in his statement has not divided the miscellaneous between passenger and freight, and you have made the division upon the basis of which you spoke?

A. Yes sir.

Q. And in your statement the miscellaneous freight earnings are $167,379.41?

A. Yes sir.

Q. Now give me the figures as divided between state and interstate by you?

A. I will have to work it out.

Q. You may work it out later on?

A. That is 19.67%.

Q. And how much per cent to interstate?

A. 80.33%.

Q. What are the interstate figures as given by Mr. Sturgis which you adopt as correct?

A. They were not divided between state and interstate.

Q. Freight was, wasn't it, the strictly freight?

A. No sir.

Q. Yes, they were, Mr. Taliaferro?

A. Oh, yes, in exhibit 100 they were.

Q. Let us get that exhibit because I want to get a state-
9386 ment which is just according to your ideas.

Now you get for the state freight $1,612,272.97?

A. Yes sir.

Q. As against Mr. Sturgis' $1,580,529?

A. Yes sir.

Q. And the only difference there is that you carry, as you did in the other cases, the rental account first into earnings, and then

take it out of operating expenses, but in the long run it does not make any difference?

A. Not at that point. The difference is due to the miscellaneous earnings.

Q. I want to get the interstate, if I can. We ought to take Mr. Sturgis' figures, ought we not, because you are using the total?

A. The figures for the interstate shown in Exhibit 100, plus 80.33% of the miscellaneous passenger earnings, would give the figures here (indicating statement) $6,584,335.95.

Q. If you will put down there that division for me, what I want to get now is upon your own basis. I think I will take Mr. Sturgis' figures, because we have those before us, as the division between state and interstate, and leave the rentals out for the present?

A. And the miscellaneous?

Q. Yes.

A. The rentals do not come in at this point.

9387 Q. The freight, according to both you and Mr. Sturgis, ought to be $1,580,529.64: is that right?

A. If that is the figure in exhibit 100.

Q. And the interstate should be the figure in exhibit 100?

A. Yes sir.

Q. And that is $6,454,699.87?

A. Yes sir.

Q. Your interstate, you divide that $161,379.41 for me, after you get off the stand, fill it in for me, will you?

A. Yes sir.

Q. Now take the passenger, and divide it in the same way. Give me the state passenger figures as they exist, and are not criticized?

A. Before adding miscellaneous earnings?

Q. Yes, leave out that, because as you say it will take care of itself.

A. $1,611,702.92.

Q. And the interstate?

A. $1,777,788.27.

Q. You divide the miscellaneous how, and what do you make for the miscellaneous passenger?

A. $731,021.89.

Q. How do you divide that, as between state and interstate?

A. On the basis of the earnings.

Q. That is upon the basis of the passenger earnings?

9388 A. Yes sir.

Q. Just as you did in the other case?

A. Yes sir.

Q. Give me those divisions, Mr. Taliaferro?

A. State $347,600.91. Interstate $383,420.98.

Q. Now then, for the purposes of this case, that is what you claim is the way the miscellaneous ought to be divided between mail and express, is it?

A. Yes sir.

Q. Now let me take your expenses, and get it separated. There is no difference between you and Mr. Sturgis as to the total amount of your expenses. Now let us take the expenses without sub-dividing

them. The passenger expenses as assigned by Mr. Sturgis you have not any criticism on?

A. We have not used that figure.

Q. What figure have you used?

A. Instead of dividing the expenses on the earnings basis, we have used the basis shown in note 1 to exhibit 104.

Q. Let us take it on that basis then.

As to freight, what division have you made there? How much do you assign for state freight? You have not divided that at all, but give it to me as a total?

A. After deducting the rental credit?

Q. Let us leave the rental credit out, because as you say it does not make any difference, and we want to get for purposes of comparison as near the line of Mr. Sturgis' figures as possible.

9389 What is the total for freight, aside from miscellaneous?

A. I don't know what you mean by "aside from miscellaneous?"

Q. I want to divide the freight proper aside from miscellaneous freight?

A. I have not any such figure.

Q. What have you?

A. I have the total freight operating expenses.

Q. That includes miscellaneous?

A. Yes sir.

Q. And freight?

A. Yes sir, but before taking off the rentals, it amounts to $6,793,610.60.

Q. Have you made any division as between passenger and mail and express?

A. No sir?

Q. Then give me the two together?

A. $3,527,311.81.

Q. So then, you have no suggestion, or no figures to suggest as to the division of those expenses between freight and miscellaneous freight, and between passenger, mail and express and miscellaneous because upon your theory and statements you are treating them as a whole?

A. Yes sir.

Q. And then I take it you have not any criticism to make

9390 upon Mr. Sturgis' figures, if they ought not to be treated as whole?

A. No sir because I would not know how to separate the expenses of mail and express from the expenses of handling passengers.

Q. And you have nothing to suggest along that line?

A. No sir.

Q. That brings us through Mr. Sturgis' Exhibit 1.

Now as to exhibit 100, Mr. Taliaferro, as I understand it, you agree with Mr. Sturgis, that it would have been for the purposes of this case, and taking into consideration the difference in the theories, almost an endless task, and useless to go to work and make

a detailed statement of the freight, in the light of the work we had all done under the figures of $1907?

A. I think that is correct.

Q. And you think it is fair to take the total undivided freight earnings for the year ending 1908, and divide them upon the percentages shown by the actual figures when you and Mr. Sturgis went over the whole thing in 1905?

A. Yes sir.

Q. So you agree with us that at the time we were called upon and agreed to give you a statement as to the diminution, all on earth that could be done practically was to deal with the situation by taking the rates under the 1907 Maximum Freight Law and applying them to the figures we had for 1905?

9391 A. My personal opinion would be that it answered all practical purposes.

Q. That is what I am getting at?

A. Yes sir.

Q. So that when we get that figure of $117,388.07, and have used that as the diminution under the laws of 1907 for the year 1908, you figure the per cent that is of the state earnings for the year 1905?

A. Yes sir.

Q. And then you apply that per cent to the figures as revised for 1908?

A. Yes.

Q. And that makes a difference of only about $5,000?

A. Yes sir.

Q. Now as to Mr. Sturgis' freight statement, assuming the division ought to be on the revenue basis, then you have no criticism to make except as to that one item?

A. You mean exhibit 100?

A. Yes.

A. I would like to look at a copy of that exhibit. There was only one copy here yesterday, and I haven't examined it.

Q. I want to get, in short, what your differences are?

A. Of course we don't exactly agree with that diminution figure.

Q. That is a difference of about $5,000 arrived at as you

9392 figure it?

A. Yes sir. And after that statement is made up of the calculations of results on the earnings basis.

Q. You have no more criticism to make of that than you did in the Frisco case?

A. No sir.

Q. If you will fill out with these percentages later on, I will offer this paper in evidence as Exhibit 105.

I have your figures for freight, and now I want it for miscellaneous. I just want to save time.

I understand what you did, you divided the total miscellaneous freight on a percentage basis, as between state and interstate?

A. Yes.

Q. And then in the mail and express you divided the total between state and interstate upon a percentage basis?

A. Yes, all miscellaneous passenger.

Q. I have the passenger carried out, and the only figures I would like you to insert are the figures for the miscellaneous which you did not have?

A. Very well, I will do that.

9393 Mr. HAGERMAN: I will offer in evidence this statement.

The paper referred to is marked Complainant's Exhibit 105.

Complainant's Exhibit 105 is in the words and figures as follows, to-wit:

9394 Mr. LADD: I will offer in evidence the assessment of the State Board of Equalization for the year 1908, for the Burlington Railway, and also the report of that Company to the State Auditor of its property and its value, for the taxes of 1908.

Defendants here rest.

9395 *Testimony for The Complainant in Rebuttal.*

C. I. STURGIS recalled, testified in behalf of the complainant in rebuttal, as follows:

Direct examination.

By Mr. HAGERMAN:

Q. You wanted to make an explanation of where the differences arise in that $5,000. I presume you are both right in your figures, but you have some difference in theory: have you any explanations you wish to make?

A. In explaining our use of that per cent, I believe I stated when I was on the stand before that it was the percent of the 1905 earnings. That is not so. In re-reading this (indicating statement) I see it is used as the per cent of the state earnings for 1908.

Q. So if that was the per cent that should have been used, the 1905 figures, Mr. Taliaferro is right, and if it is the per cent of the 1908 earnings, then your figures are right?

A. Yes sir.

Q. And the difference between you is something like $5,000?

A. Yes sir.

Q. In your exhibit 98, in dealing with the question of expenses, you say you divide them upon a revenue basis?

A. Yes sir.

9396 Q. When you were on the stand, and in the hearing under the law of 1905, there was no controversy as to the passenger business, and an elaborate statement was gotten up by you of both freight and passenger earnings, and you had made the division that way. And so there could be no criticism on the score of

your changing around in any way, you have followed the same method here?

A. That is correct. The revenue results in Exhibit 1 and in this Exhibit are the same.

Q. In 1905, before there was any controversy as to the passenger rate at all, the State of course was interested in throwing more expense into the passenger business: that was naturally so?

A. I presume so.

Q. And in support of that contention, they produced an exhibit dividing these expenses between freight and passenger upon what they called a locatable basis?

A. Yes sir.

Q. What exhibit is that in the main Burlington case?

A. It is exhibit 6.

Q. When they divided in 1905 the passenger business upon this locatable theory, how much was the passenger per cent of the total operating expenses—about 6% more, wasn't it? The figures are there. It is about 34% I understood you to say?

A. About 6½% more.

Q. So if they were to adopt that figure now as applied to
9397 passenger, or if they followed that method of division, instead of 27.52% of operating expenses being assignable to passenger, it would be about 34%?

A. That figure is right, but it must be remembered there was no provision there for a division of the miscellaneous. But still the results they obtain would be higher than those we obtain.

Q. That is what I wanted to get at. I understand how your statement had been presented under the law of 1905, that you followed the same method of dividing, but your method of dividing does not give as much expense to the state passenger business as it would if you took the other method: that is true, isn't it?

A. Your understanding is right.

Cross-examination.

By Mr. LADD:

Q. You, personally, for your company, in this case, divide the total operating expenses between freight and passenger upon the proportion of gross earnings of each, don't you?

A. Yes sir.

Q. You know, Mr. Sturgis, don't you, that the other roads in this controversy do not do that in that way?

A. I have not seen their exhibits. I do not know. I can merely judge from what I have heard here in the court.

9398 A. P. TALIAFERRO recalled, testified as follows:

Mr. HAGERMAN:

Q. As a matter of fact, Mr. Sturgis' statement is correct, that if you divide the expenses in accordance with the method the other 17 roads have adopted, instead of the method Mr. Sturgis adopted,

there would be more expense there against the state passenger business than the other way?

A. I think a little. There would not be a great deal of difference.

9399 Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the Chicago, Burlington & Quincy Railway Company for the year 1907, as shown on pages 65 to 98 inclusive of the printed record of proceedings of said Board, which said pages I now offer in evidence as Defendant's Exhibit "G".

The pages referred to are marked "Defendant's Exhibit "G".

Defendant's Exhibit "G" is in the words and figures following to wit:

NOTE.—In lieu of offering in evidence the statement signed and filed by the Tax Commissioner of the Chicago, Burlington & Quincy Railway Company with the State Auditor under Sections 9339 and 9340 of the Revised Statutes of Missouri with a description and valuation of the length and value of the tracks, depots, tanks and turntables, value in incorporated cities and towns, and description and value of rolling stock of the Company for the purposes of taxation:

It is stipulated and agreed by the parties that the valuation placed upon said property by the said statement, and signed by the Tax Commissioner of the said Board, and filed with the State Auditor was $5,767,719; and that in said statement no reference was made to nor valuation placed upon the item referred to by the State Board of Equalization as "all other property".

9400 The Defendants here rest.

The Complainant and Defendants both rest, and it is considered that the evidence in case No. 2998 is fully submitted with the exception of the testimony of W. B. Doddridge, and any rebuttal thereof.

9401 No. 3003.

THE CHICAGO, GREAT WESTERN & — RAILWAY COMPANY

vs.

JOHN A. KNOTT et al.

The above entitled cause coming on for trial on Wednesday, December 30, 1908, before the Honorable Smith McPherson, District Judge, the parties appeared by their respective counsel Mr. Frank Hagerman representing the complainant, and Messrs. F. Lehmann, J. Kennish and S. B. Ladd, representing the defendants.

Thereupon to sustain the issues upon its part, the complainant introduced the following evidence.

9402 H. ERNEST a witness of lawful age being duly produced, sworn and examined on the part of the complainant, testified as follows:

Direct examination.

By Mr. FRANK HAGERMAN:

Q. Have you prepared a statement along the lines of the other companies of the earnings and expenses of the Chicago Great Western Railway, and if so for what period of time?

A. For the six months ending December, 1907.

The COURT: Where do you live?

A. In St. Paul, Minnesota.

Q. What relation do you sustain to this company?

A. I am Freight and Ticket Auditor.

Mr. HAGERMAN: Is this statement which you have prepared correct?

A. Yes sir.

Mr. HAGERMAN: I will offer in evidence this statement.

The paper referred to is marked Complainant's Exhibit No. 106.

Complainant's Exhibit No. 106 is in the words and figures following to-wit:

9403 Q. Before you get to the question of extra cost or interest or return upon the property, you have a surplus from state freight of how much?

A. $3,625.82.

The COURT: How much of your road is in Missouri, that part from Leavenworth northeast to the Iowa line?

A. There is about 90 miles in Missouri.

Q. When you get to Leavenworth you cross to Kansas, and then back to Missouri?

A. Yes sir.

Q. You cross the river at Leavenworth?

A. Right at Leavenworth.

Q. Is there a station on the east side of the river?

A. No sir.

Q. What is the first station in Missouri after leaving Kansas?

A. Beverly.

Mr. HAGERMAN: It is really the east end of the Ft. Leavenworth bridge.

The COURT:

Q. Then you go northeast to Savannah?

A. Yes sir, and Athelstone.

Q. What is the last station in Missouri?

A. Athelstone.

Q. That is right at the Iowa state line?

A. Yes sir.

9404 Q. Do you own the road or have you some traffic arrangement before reaching St. Joe?

A. We have a traffic arrangement there.
Q. With what road?
A. I don't know, there are some four or five in there.

Mr. HAGERMAN: I could probably tell you more about that, if it is at all material. When they strike St. Joe they have to run over the Burlington track.

The COURT:

Q. You own your own road from St. Joe to the Iowa line?
A. Yes sir.

Mr. HAGERMAN: There are two or three complications about getting to St. Joe and so on. We go over the Burlington for awhile, and then use the St. Joe terminal tracks part of the way. St. Joe is peculiarly located, so there is not room for any railroad except around the river front.

Q. When you get to the state passenger business, before you get to the question of extra cost, or return upon the investment, there is a deficit there of how much?
A. $2,204.20.
Q. Have you also prepared an exhibit showing the number of passengers per mile and what you would have earned in these three months. When the Judge denied a temporary injunction in this case, he said to make a test for three months. Do you remember that?
9405 *Q.* Have you prepared a statement showing how much more you would received in those three months on the same number of passengers and passenger miles?
A. Yes sir.
Q. If you had been charging the old rate?
A. Yes sir.
Q. What was your loss for three months?
A. $16,486.49.
Q. And what per cent upon your earnings?
A. 27%.
Q. And for the year that would be four times that, or in round numbers about $66,000?
A. Yes sir.

Mr. HAGERMAN: I will offer in evidence this statement.
The paper referred to is marked Complainant's Exhibit No. 107.
Complainant's Exhibit 107 is in the words and figures following to-wit:

9406 Cross-examination.

By Mr. LADD:

Q. What does this statement, Exhibit 106, cover?
A. Six months.
Q. Six months of last year?
A. Yes sir.

Q. Can you give me the number of ton miles in Missouri during those last six months.

A. No sir.

Q. Will you send that to Mr. Hagerman when you get home?

A. We haven't it prepared. We could make it up, I think.

Mr. HAGERMAN:

Q. Can you give some estimate?

A. I could give you an estimate when I get back home, but I can't do it now.

Q. Have you a system figure you can give them?

Mr. LADD: We have not been into the office of this company at all, and a great many statements do show the number of ton miles, state and interstate, and the passenger miles, state and interstate.

A. We have not worked up the ton miles for the State of Missouri, but we have it for the system.

Mr. HAGERMAN: Can you get along with the system figures, Mr. Ladd?

Mr. LADD:

Q. If you could give us the ton miles, state and interstate,
9407 during this period, please send it to Mr. Hagerman. Then we can prepare a statement similar to the others, but without that we cannot do it. Can you do that?

A. Yes sir.

Mr. HAGERMAN: How long will it take you to do it.

A. A week or ten days.

Mr. LADD: We can't wait that length of time. Can't you give it on percentage?

A. Yes, I could give that.

Mr. HAGERMAN: Wouldn't that answer, Mr. Taliaferro?

Mr. TALIAFERRO: I think that will do.

Mr. HAGERMAN: I don't want him to wait ten days, that would seem too much delay.

The COURT: We will see about that. You do it as quickly as you can, Mr. Ernest.

Mr. LADD: Perhaps Mr. Taliaferro can suggest something that will answer the purpose without any great amount of labor.

Mr. HAGERMAN: Mr. Ernest if you and Mr. Taliaferro can agree upon some way of getting that information, furnish it as quickly as possible.

The COURT: Prepare it in triplicate, and send one copy to Mr. Ladd and one to Mr. Hagerman, and one to me.

Mr. LADD: And then Mr. Taliaferro will have time to prepare a statement on the basis of that?

The COURT: Certainly.

9408 Mr. LADD: How long has this road been in the hands of a Receiver?

A. Since January 8, 1908.

Q. January of this year?
A. Yes sir.

Mr. HAGERMAN: I would suggest, as I have to Mr. Taliaferro, that we have been all over that matter in the Frisco case, and why not use in this case, by agreement, the percentages if ton miles upon the Frisco?

Mr. LADD: I will leave it to the experts to say what they can work out between themselves.

Mr. TALIAFERRO: We can take the earnings, state and interstate, and divide them by the revenue ton miles in the Frisco, and get the percentages in that way.

Mr. HAGERMAN: Suppose we agree to do it that way without anything further?

Mr. LADD: Let the experts confer when the witness has left the stand, and then we can decide what to do.

9409 Mr. HAGERMAN: I would like to have the orders appointing the Receivers of the Chicago, Great Western Railway, and substitute them as complainants here.

The COURT: The ancillary orders are on file in this court, drawn by Judge Sanborn.

Mr. HAGERMAN: I can draw an order making them co-complainants.

The COURT: That may be done, and let the Answer and Replication stand.

Mr. HAGERMAN: You do not want to file any extra pleadings, do you, Mr. Ladd?

Mr. LADD: No.

Thereupon with the exception of W. B. Doddridge, as to the value of the property, and the right of defendants to rebut said testimony, the complainant rests.

9410 *Testimony for the Defendants.*

Mr. LADD: We have not any testimony to offer, because our experts have not examined the books or papers of this Company for want of time.

We will, however, if Mr. Taliaferro and Mr. Ernest can agree about certain figures, to be sent Mr. Taliaferro, submit a statement later on.

The COURT: That may go into the record, and the stenographer will insert the statement then the same is furnished.

9411 The statements referred to were furnished to the stenographer later and were marked "Defendant's Exhibits 108 and 109."

Defendant's Exhibit 108 is in the words and figures following, to-wit:

9412 Defendant's Exhibit 109 is in the words and figures following, to-wit:

9413 Mr. LADD: I offer in evidence the assessment made by the State Board of Equalization upon the property of the Chi-

cago Great Western Railway Company for the year 1907, as shown on pages 104 to 105 inclusive of the printed record of proceedings of said Board, which said pages I now offer in evidence as Exhibit "I."

The pages referred to are marked "Defendant's Exhibit "I."

Defendant's Exhibit "I" is in the words and figures following, to-wit:

The Defendant here rests.

All parties rest in the case wherein the Chicago Great Western Railway Company is Complainant, and John A. Knott et al. are Defendants.

9414 NOTE.—At the close of the evidence in all of the 18 cases heretofore referred to, in so far as either party, complainant or defendants, has any testimony, evidence or exhibit to offer, except as hereinbefore stipulated or agreed, W. B. Doddridge was called to testify in all of the cases, the defendants being afforded an opportunity to offer rebuttal testimony to the evidence of Mr. Doddridge.

9415 W. B. DODDRIDGE recalled, testified as follows:

Direct examination.

By Mr. HAGERMAN:

Q. I believe you testified on the subject of the valuation of the Frisco & Santa Fe Railroads?

A. I testified as to one.

Q. You did as to the Frisco, and I thought you did as to the Santa Fe?

A. I believe I did.

Q. I want to ask you a question as to the Rock Island, the St. Louis & Hannibal, the Kansas City Southern, the M. K. & T., the Kansas City, Clinton & Springfield, and the Chicago Great Western. In speaking of the Rock Island, I include the St. Louis, Kansas City and Colorado.

The figures in those cases being based upon three times the valuation of said property, as shown by the State Board's of Equalization assessment for the year 1907, I think it is——

Mr. LATHROP: I would like to have you include the Santa Fe.

Mr. HAGERMAN: Yes, and the Atchison, Topeka & Santa Fe Railway Company.

One or two of these roads had the figures for 1908, and I want to see which those are. I think those I named are all for 1907, and the Burlington figures are for 1908.

9416 Now I want to ask you the general question as to each and all of those roads, whether in your opinion each of those roads is worth an amount equal to three times the valuation fixed by the State Board of Equalization in those years—at least that much?

A. Yes sir, in a general way I should say the value of those roads

is at least three times the amount shown in the report of the State Board of Equalization of Missouri, for the years 1907 and 1908. I have examined both books, and substantially there is not very much difference.

Q. I do not remember whether we gave the Frisco figures for 1907 or for 1908. But you make them applicable to all the roads you have testified to, as to both 1907 and 1908, do you?

A. Yes sir, with the exception possibly of the St. Louis & Hannibal, and of the Kansas City, Clinton & Springfield. I am not certain as to those roads being worth three times the assessed value, as shown in the printed report of the proceedings of the State Board of Equalization.

Q. As to each of those roads, which are losing ventures anyway, according to the testimony here, about what would you say they are worth, at least how much?

A. Well, I should say twice as much as the assessed valuation.

9417 Q. Your statement, with the exception you make as to the St. Louis & Hannibal, and the Kansas City, Clinton & Springfield Railroads, is applicable to all the roads whose cases have been tried here?

A. Yes sir.

No cross examination.

9418 & 9419 NOTE.—It is stated in open court by counsel representing the various parties, that no further evidence will be offered, and none is desired, in any of the 18 cases.

9420 The volume of exhibits referred to in the certificate of the Trial Judge as "Volume V, marked filed by the clerk on December 30th, 1908, and further identified by the signature of Smith McPherson, Trial Judge, said volume V being made up of exhibits," is in the words and figures as follows, to-wit:

9420½ *Index of Exhibits.*

St. Louis & San Francisco Railroad Company's Case.

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
	1	Map of Missouri (R. R. & Warehouse Com.).	7179
	2	Statement of St. Louis & San Francisco R. R. Co. as to Missouri Earnings & Expenses for July to Sept. 1907, inclusive...	7202
	3	Statement of Earnings, Operating Expenses and fixed charges, Missouri, three months to September 30, 1907, divided between Intra and Interstate.....	7212
		Johnson Exhibit 55, offered in Mo. Pac. Case.....	7505
Hale.....	4	Mather Opinion.....	7729
Bethard.....	5	Comparative statement of Wages of Train, Yard and Enginemen of M. K. & T. Ry. Co.....	7923
Kimbell....	6	Statement showing actual tests made in Arkansas by St. L. So. W. Ry. Co., during October, 1908.....	7983
Douglas....	7	Twelfth Annual Report of St. L. & S. F. R. R. Co., year ended June 30, 1908.....	8010
	8, 9, 10	Statements showing classification of operating expenses for July, August and September, 1907.....	8022
Ellis.....	11	Statement showing local and through passenger partial expenses, La Crosse Div. of C. M. & St. P.....	8043
	12, 13	Diagrams showing actual passenger business in Wisconsin by trains.....	8054
	14, 15, 16, 17	do. do. do.	8055
	18, 19, 20	do. do. do.	8060

St. Louis & San Francisco Railroad Company Case—*Continued.*

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
	21 22 23 24 25 26 27	do. do. do.	8061
	28	Statement showing comparison of business of trains in Wisconsin	8064
9421			
Douglas	29	Copy of Kansas City, Ft. Scott & Memphis Trust Certificate	8205
McPherson	30	Statement showing scales of wages of employés on Missouri Pacific Railway, 1900 to 1908	8215
	31	Comparative statement showing cost of Material on Missouri Pacific Ry. for years 1902 and 1908	.....
	32	Diagram showing progressive increasing terminal expenses on local merchandise freight, Missouri Pacific Railway	.....
Eustis, P. S.	33	Schedule 7 of Burlington general statement	.....
Peabody	34	Statement of comparative cost of fuel, wages, etc., on Main Line of Missouri Division of A. T. & S. F. Ry. for July and August, 1908	8579
	35	Statement showing Fuel consumption on passenger trains on Mo. Div., Marceline to Kansas City, A. T. & S. F. Ry., August and September, 1908	8580
	36	Estimated reduction in earnings on commodities affected by law of 1907, six months ending Dec. 31, 1907, A. T. & S. F. Ry	8586
	37	Same as 36, but covering one year ending June 30, 1908	8587
	38	Comparative results of Missouri Passenger Traffic for years, immediately preceding and succeeding the 2c. fare law	8588
	39	Actual check of passenger trains, main line, Nov. 16 to 24, 1908	8595
	40	Same for November 25 to December 6, 1908.	8595
	41	Analysis of freight cost of transportation, interstate and state in Missouri, Nov. 18th — 24th, 1908, inclusive	8606
	42	Same for November 30 to December 6, 1908.	8611

St. Louis & San Francisco Railroad Company Case—*Continued.*

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
	43	Comparative of railroad material, based on actual contract figures for 1897 and 1906, respectively, A. T. & S. F. System.....	8616
	44	(*a*), (*b*), (*c*), and (*d*), Individual records of four Santa Fe engines.....	8620
Comrad.....	45	Santa Fe statement showing Earnings and Expenses for July to December, 1907, Inclusive, in Missouri	8671
	46	Terminal expenses itemized	8673
Nay	47	Statement, passengers per mile, etc. (Rock Island).....	8692
	48	Graphic record, passenger revenue per mile of road operated (Rock Island).....	8699
	49	Graphic record, passenger revenue per mile of road operated (Rock Island).....	8702
	50	Statistics of Missouri passenger traffic (Rock Island).....	8706
9422			
Nay	51	Statistics showing operated mileage in fourteen states (Rock Island).....	8710
	52	Statement showing percentages of increase and decrease of passenger traffic by states (Rock Island)..	8713
	53	Comparative statement showing average prices of materials, years 1897 and 1907 (Rock Island).....	8717
	54	Leaflet No. 5, Bureau of Railway News & Statistics.....	8719
	55	Comparative statement of Passenger Revenue for System and for State of Missouri, year to June 30, 1908, (Frisco).....	8721
	56	Statement showing diminution of rates under law of 1907 (Frisco).....	8726
Press.....	57	Frisco statement similar to general statement (Ex. 2) covering six months to Dec. 31, 1907.....	8739
	58	Frisco statement of Passenger business July 1907 to June 30, 1908, inclusive.....	8740
Johnson....	59	Analysis of passenger earnings in Mo. for six months ending Dec. 31, 1907, compared with same period of previous year, for Mo. Pac. Ry.....	8758
Taliaferro...	60	Comments of Santa Fe Ry. Co.'s statement of passenger train tests, (Ex. No. 39)	8794
	61	Comments of Frisco Statement (Ex. 2) as to Passenger.....	8817

St. Louis & San Francisco Railroad Company Case—*Continued.*

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
	62	Comments on Mo. Pac. Ex. 19 and Burlington Exhibit 36 (in testimony taken under act of 1905)	8841
	63	Comments on Kimbell Exhibit No. 6	8864
	64	Comments on Frisco Statement (Ex. 2) as to Freight	8878
	65	Summary of Taliaferro's testimony	8894
	66	Method of arriving at extra cost on ton mile basis	8895
	67	Statement showing passenger earnings and expenses, etc., three months to Sept. 30, 1907, (Frisco)	9083
	68	Statement showing state freight revenue and expenses three months to Sept. 30, 1907, (Frisco)	9085
	69	Statement showing state passenger revenue and expenses three months to Sept. 30, 1907, (Frisco)	9086
	70	Statement Showing Freight and Passenger miscellaneous revenue and expenses between state and interstate, three months to Sept. 30, 1907, (Frisco)	9088
9423			
Press	71	Same as Ex. 70 for six months ending Dec. 31, 1907	9089
	72	Statement showing passenger miscellaneous revenue and expenses divided between state and interstate twelve months ending June 30, 1908 (Frisco)	9090
Nay	73	Statement showing passengers one mile, revenue, and average receipts per passenger per mile for July, August, and September, 1906, 1907 and 1908	9105
	96	Statement showing miscellaneous revenue (Frisco)	
		Assessment of State Board of Equalization on property of St. L. & S. F. Ry. Co., for year 1907	9074
		Report of St. L. & S. F. Ry. Co., to the State Auditor for year 1907	9075
		Reports of any other companies mentioned on pages 202 and 241 of journal of State Board of Equalization for the year 1907, which were dealt with by the State Board as a part of The Frisco System	9076

9424 Atchison, Topeka & Santa Fe Railway Company Case.

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
Peabody, J.	74	Valuation of A. T. & S. F. System on Basis of Average price of Securities for year ending June 30, 1908	9126
	75	Statement of facts as to Missouri Traffic six months ending Dec. 31, 1907	9127
Taliaferro...	76	Comments on Santa Fe statement (Ex. 45) as to Passenger	9155
	77	Comments on Santa Fe statement (Ex. 45) as to freight	9157
Offered by Mr. Ladd.	(B)	Assessment of State Board of Equalization on property of the St. L. & S. F. R. R. Co., for year 1907, as shown on printed pages 52 to 56 inc. of printed record of proceedings of said Board	9191
		Stipulation as to valuation of said property.	9191

9425 The Chicago, Rock Island & Pacific Railway Company Case.

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
Nay, Frank	78	Statement as to Missouri Earnings and Expenses for July, 1907, to September, 1907, inclusive.	9195
	79	Statement showing final results, indicating that rates named in Act of 1907 are non-compensatory for three months, viz:— July, August, and September, 1907	9200
	97	Division of Miscellaneous Revenue	2175
Taliaferro..	80	Comments on Rock Island statement (Ex. 78) as to Passenger	9216
	81	Comments on Rock Island statement (Ex. 78)	9217
Offered by Mr. Ladd.	"C"	Assessment by State Board of Equalization on property of the C. B. & Q. Ry. Co., and K. C. & Col. Ry. Co., for year 1907, as shown on pages 109 to 117, incl. of printed record of proceedings of said Board	9219
		Stipulation as to valuation placed upon said property	9219

9426 The Kansas City Southern Railway Company. Case

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
McCarty....	82	Statement on the Missouri Earnings and Expenses, January 1, 1908 to June 30, 1908	9223
	83	Statement of Passengers carried *Passengers carried* one mile, and Average rate per Passenger per mile, for fiscal year ending June 30, 1907 and 1908	9230
	84	Map of K. C. So. Ry. and Texarkana & Ft. Smith Ry	9234
Taliaferro..	85	Comments on General Statement (Ex. 82) as to passenger	9237
	86	Comments on General Statement (Ex. 82) as to freight	9238
Offered by Mr. Ladd.	"D"	Assessment made by State Board of Equalization upon property of K. C. So. Ry. Co. for 1907, as shown on pages 120 to 122 incl. of printed record of proceedings of said Board	9240
		Stipulation as to valuation upon said property	9240

9427 St. Louis & Hannibal Railway Company Case.

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
Worland, J. M.	87	Statement of St. Louis & Hannibal Ry. Co. as to Missouri Earnings and Expenses for year ending June 30, 1908	9245
	88	Comparative statement showing passengers carried one mile in Missouri; revenue derived therefrom; revenue per passenger per mile; for years ending June 30, 1907 and 1908	9246
Offered by Mr. Ladd.	"E"	Assessment by the State Board of Equalization on property of the St. L. & H. Ry. Co. for year 1907, as shown on pages 193 to 195 inclusive, of printed record of proceedings of said Board	9254
		Stipulation as to valuation placed upon said property	9254

9428 The Missouri, Kansas & Texas Railway Company Case.

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
Seelig.....	89	Statement of M. K. & T. Ry. Co., as to Missouri Earnings and Expenses for months of July, August, October, November and December, 1907, and January, 1908.....	9259
	90	Comparative statement showing Gross Passenger Revenue, Passengers Carried and Average Revenue Passenger Mile for years 1906–'7 and 1907–'8.....	9264
Taliaferro..	91	Comments on General Statement (Ex. 89) as to Passenger-..... .	9277
	92	Comments on General Statement (Ex. 90) as to Freight.....	9278
Offered by Mr. Ladd.	"H"	Assessment made by the State Board of Equalization upon the property of the M. K. & T. Ry. Co., for year 1907, as shown on pages 144 to 153, inclusive of printed record of proceedings of said Board	9299

9429 Kansas City, Clinton & Springfield Railway Company Case.

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
Smith.....	93	Statement of the Kans. Cy. C. & S. Ry. Co., as to Missouri Earnings and Expenses for June 30, 1907, to June 30, 1908, inclusive	9287
	93–*a*	General Statement corrected.....	9301
	94	Comparative statement showing passengers carried one mile in Missouri; revenue derived therefrom; revenue per passenger per mile; for years ending June 30, 1907 and 1908.....	9291
	95	Income account of K. C. C. & S. Ry. Co., June, 1908.....	9304
Offered by Mr. Ladd.	"F"	Assessment made by the State Board of Equalization upon the property of the K. C. C. & S. Ry. Co. for year 1907, as shown on pages 123 to 126, inclusive, of printed record of proceedings of said Board	9323
		Stipulation as to valuation placed upon said property	9323

MAPS
TOO
LARGE
FOR
FILMING

9430 Chicago, Burlington & Quincy Railroad Company Case.

Name of witness.	No. Ex.	Description of exhibit.	Page offered.
Sturgis.....	98	Statement of C. R. I. & P. R. R. Co. as to Missouri Earnings and Expenses for the year ending June 30, 1908, as to Passenger Earnings.....	9329
	99	Comparative statement showing passengers carried one mile, etc., years ending June 30, 1907 and 1908	9330
	100	Statement showing division of expenses as to Freight, 1907.....	9333
	101	Statement showing diminution of State Freight Earnings under act 1905.....	9336
	102	Statement of Earnings and Reduction thereof, applied to figures of 1905, under Act of 1907.....	9372
Taliaferro...	103	Comments on General Statement (Ex. 99) as to Freight.....	9373
	104	Comments on General Statement (Ex. 99) as to Passenger.....	9380
	105	Summary of Passenger and Freight Earnings and Expenses (put in by Mr. Hagerman).....	9393
Offered by Mr. Ladd.	"G"	Assessment made by State Board of Equalization upon property of the C. B. & Q. R. R. Co., for year 1907, as shown on pages 65 to 98, inclusive, of printed record of proceedings of said Board.....	9399
		Stipulation as to valuation placed upon said property.....	9399

9431 Chicago Great Western Railway Company Case.

Name of witnesses.	No. Ex.	Description of exhibit.	Page offered.
Ernest.....	106	Statement of the C. G. W. Ry. Co. as to Missouri Earnings and Expenses for July to December, 1907, inclusive	9402
	107	Comparative statement showing passengers carried one mile, Revenue, Average Rate per Passenger Mile, June 19 to Sept. 18, 1906 and 1907.....	9405
Taliaferro..	108	Comments on Complainant's Exhibit 106 (Passenger-).....	9411
	109	Comments on Complainant's Exhibit 106 (Freight).....	9412
Offered by Mr. Ladd.	"I"	Assessment made by the State Board of Equalization upon the property of the C. G. W. Ry. Co. for year 1907 as shown on pages 104 and 105 of printed record of proceedings of said Board	9413

(Here follows map of Rock Island-Frisco line, marked page 9432.)

EXHIBIT 1.

St. Louis and San Francisco Railroad Company.

Statement of St. Louis and San Francisco Railroad Company as to Missouri Earnings and Expenses for July to September, 1907, Inclusive.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the Company for the montha of Jule to September, 1907. This statement shows (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states accordingly to the formula herewith presented as exhibit 2; (*c*) the more difficult matter i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(1) Earnings.

	Interstate.	State.	Total.
Freight	2,214,002.82	577,192.84	2,791,195.66
Miscellaneous (undivided as between state and interstate)	.....	.....	60,903.59
Total freight	.....	.....	2,852,099.25
Passenger	368,687.43	599,051.59	967,739.02
Mail, express and miscellaneous, (undivided as between state and interstate)	.....	.....	194,152.45
Total passenger			$1,161,891.47

Inasmuch as difference might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

(3) Expenses (Undivided as Between State and Interstate.)

	Freight.	Passenger.
Maint. W. & S.	334,481.87	254,411.64
Maint. Equipment	413,832.67	188,203.87
Traffic Exp.	41,718.41	37,108.09
Transportation, Exp.	934,099.28	446,249.13
General Expenses	52,770.05	39,919.05
Taxes	49,254.27	17,075.49
Rentals	63,197.77	21,904.14
	$1,889,354.32	$1,004,871.41

9434 (4) Percentages (the Percentages Ascertained from Above Figures.)

Character.	Amount.	Per cent. of freight earnings.	Per cent. of all earnings.
Interstate freight	2,214,002.82	77.62	55.16
State Freight	577,192.84	20.24	14.38
Miscellaneous	60,903.59	2.14	1.51
	$2,852,099.25	100%	
		Per cent. of passenger earnings.	
Interstate passenger	368,687.43	16.71	9.19
State Passenger	599,051.59	51.56	14.92
Mail, Express and Miscellaneous	194,152.45	16.71	4.84
	$1,161,891.47	100%	
Total	$4,013,990.72		100%

(5) State Freight Expense.

The total freight operating expenses (undivided as between state and interstate business—including taxes and rentals, but exclusive of interest are $1,889,354.32, of which interstate freight is 77.62%, or $1,466,516.82 and State Freight is 20.24% or $382,405.32.

(6) Summary.

(*a*) The state freight earnings as above shown are	$577,192.84
From which should be deducted operating expenses, Taxes and rentals as aforesaid	382,405.32
Leaving	$194,787.52
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which, as shown by Exhibit 3, hereto attached, are (These figures being estimated)	11,389.27
Leaving	$183,398.25

(*c*) From this should be deducted such sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 7.33% of all freight operating expenses, $1,776,902.28, or $130,246.94; if twice as much, 13.42% of

all freight operating expenses, $1,776,902.28, or $238,460.28;
9435 if three times as much, 22.99% of all freight operating expenses, $1,776,902.28, or $408,509.83; all shown by Exhibit 4 hereto attached.

If this ascertainment be upon the ton mile basis, then as shown by Exhibit 5, if the extra cost be 50% more, this would make the extra cost ——% of all freight expenses or $——; if twice as much ——%, or $——; if three times as much ——%, or $——.

(*d*) From the sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is 14.38%. This percentage of all interest for three months, $819,021.42 = $117,775.28, leaving—

With no addition account increased cost, a surplus of.	$65,622.97
If the increased cost were 50% more, there would be a deficit of	64,623.97
If the increased cost were two times as much, there would be a deficit of.....	172,837.31
If the increased cost were three times as much, there would be a deficit of.....	342,886.86

(*e*) From this sum should also be deducted a sum equalling 6% annual interest upon 14.38% of the actual value of the road, if found by the court, over and above the bonded indebtedness—in other words, the equity in the property, or $——. This would leave $——. This latter sum will represent the actual loss upon the state freight business (See Exhibit 11).

(*f*) If, however, the court should determine that the value of the property upon which the Company is entitled to a return, should be ascertained regardless of the bonded indebtedness and outstanding stock then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 14.38% of the entire value of the property, $——, or $——.

(*g*) This value may become unnecessary to ascertain, as a deficit may appear from the state's own valuation. The assessment of the state board for 1907 was $12,085.95 per mile, or $20,412,804.90 for the state, at one-third of its actual value. So the state by action of its taxing board has practically conceded the total valuation of
9436 $61,238,414.70 6% annual interest upon 14.38% of which value is $132,091.26 for 3 months. So this, the company would be entitled to.

If, however, the court should find the actual value to be in excess of the state board's valuation, then there should be added 6% annual interest upon 14.38% of this additional value so found, or $——.

(7) Passenger Earnings and Expenses.

(*a*) The State passenger earnings, as above shown, are $599,051.59, while the expenses, undivided as between state and interstate, are $1,004,871.41. Interstate exclusive passenger earnings are

31.73% of all, or $318,845.70; state expenses 51.56%, or 518,111.70.

(*b*) The state passenger earnings as already shown are $599,-051.59 from which there should be deducted for expenses, exclusive of interest, $518,111.70, leaving $80,939.89.

(*c*) If, however, the passenger per mile basis is used, then this is the result: The number of passengers carried one mile as shown by Exhibit 7 was: State 31,042,395, or 59.32%; interstate, 21,284,235, or 40.68% of all. The passenger expenses, exclusive of mail, express and miscellaneous expenses, undivided as between state and interstate, were $836,957.41 and divided upon a passenger mile basis, 59.32%, or $496,483.14, would represent state passenger expenses, and 40.68% thereof, or $340,474.27 the interstate.

(*d*) There should, however, be deducted the extra cost of doing the state business ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis, then as shown by Exhibit 8, if the extra cost be 15, 25, 35, or 50%, this would equal these percentages of $965,891.78, all passenger operating expenses:

At 15%	increased	cost,	3.48%, or $33,613.03,	leaving	$47,326.86
At 25%	"	"	5.53%, or $53,413.82	"	27,526.07
At 35%	"	"	7.41%, or $71,572.58	"	9,367.31
At 50%	"	"	9.93%, or $95,913.05,	"	14,973.16 (Deficit)

(*e*) There should also be deducted such interest upon the bonded indebtedness upon that part of the road devoted to the state
9437 passenger business or 14.92% (upon a revenue basis) of the total interest, $819,021.42 — $122,198.00, which would give the following result:

With no addition acct. increased cost, the deficit would be							$41,258.11
At 15%	increased	cost	"	"	"	"	74,871.14
At 25%	"	"	"	"	"	"	94,671.93
At 35%	"	"	"	"	"	"	112,830.69
At 50%	"	"	"	"	"	"	137,171.16

To this deficit should be added a sum equalling 6% annual interest upon 14.29% of the actual value of the road as found by the court, over and above the bonded debt or the equity in the property. This latter sum will represent the actual losss upon the state passenger business. (See exhibit 11.)

(*f*) If, however, the court should determine that the value of the property upon which the Company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 14.92% of such entire value, or $——.

(*g*) This value may become unnecessary to determine, as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the State Board of Equalization shows the rate to be confiscatory. The assessment for 1905 was $20,412,804.90 and this was, as will be conceded by the

state, upon one-third of the value as determined by that body. This makes a valuation of $61,238,414.70. The company would be entitled to 6% annual interest upon 14.92% of entire revenue of such value, or $137,051.57 for three months.

(*h*) As having a direct bearing upon the question of value, there is attached hereto as Exhibit 10, a statement of the bond and stock issue of the Company.

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EXHIBIT 2.

St. Louis and San Francisco Railroad Company.

Formula for Division of Operating Expenses Between States as Follows.

Actual, when entire accounting division is in only one state; when accounting division extends through more than one state, the undernoted bases are used:

Account.	*Basis.*
Maintenance of Way and Structures:	
Accounts 1 to 25 exclusive of Accts. 19, 20 and 21	Road Mileage
Accounts 19, 20 and 21, Work Equipment, Repairs, Renewals, Depreciation	Work Train Mileage
Accounts 26 and 27, Maintenance Joint Tracks, Yards and Terminals	Actual
Maintenance of Equipment:	
Acct. 28, Superintendence	Revenue Train Mileage
Acct-. 29, 30 and 31, Steam Locomotives Repairs, Renewals, Depreciation	Locomotive Mileage
Account 35, Passenger, Train Car Repair	Passenger Car Mileage
Account 36, Passenger Train Car Renewals	Passenger Car Mileage
Account 37, Passenger Train Car Depreciation,	Passenger Car Mileage
Account 38, Freight Train Cars Repairs	Freight Car Mileage
Account 39, Freight Trains Cars Renewals	Freight Car Mileage
Account 40, Freight Train Cars Depreciation	Freight Car Mileage
Account 47, Shop Machine and Tools	Revenue Train Mileage
Account 49, Injuries to Persons	Revenue Train Mileage
Account 50, Stationery and Printing	Revenue Train Mileage
Account 51, Insurance	Revenue Train Mileage
Account 52, Other Expenses	Revenue Train Mileage
Accounts 53 and 55, Maintaining Joint Equipment at Terminals Debit and Credit	Actual
Accts. 54 and 56 Equipment Borrowed and Loaned Debit and Credit.	Car Mileage
Traffic Expenses Passenger	Passenger Train Mileage
Traffic Expenses Freight	Freight Car Mileage

Transportation Expenses:

Acct. 66, Superintendence	Revenue Train Mileage
Acct. 67, Dispatching Trains	" " "
Acct. 68-A Station Employés, Pass.	Actual
Acct. 68-B Station Employés, Frt.	Actual
Acct. 68-C Telegraph and Telephone Oper.	Actual
Acct. 69 Weighing & Car Service Assns.	Freight Train Mileage
Acct. 70 Stock Yards and Grain Elevators	Actual
Acct. 72, Station Sup. & Exp.	Actual
Acct. 73 and 84, Yard Service,	Actual
Acct. 86-A, Road Enginemen—Pass.	Pass. Loco. Mileage
Acct. 86-B, Road Enginemen—Freight	Frt. Loco. Mileage
Acct. 87 Enginehouse Expenses—Road	Total Loco. Mileage
Acct. 88-A Fuel for Road Locos. Pass.	Pass. Loco. Mileage
Acct. 88-B Fuel for Road Locos. frt.	Frt. Loco. Mileage
Acct. 88-C Fuel Sta. Operation of	Total Loco. Mileage
Acct. 89 Water for Road Locos.	Total Loco. Mileage
Acct. 90 Lubricants for Road Locos.	Total Loco. Mileage
Acct. 91 Other Supplies for Road Locos.	Total Loco. Mileage
Acct. 94-A, Road Trainmen—Pass.	Pass. Train Mileage
Acct. 94-B Road Trainmen—Frt.	Frt. Train Mileage
Acct. 95-A, Care of Passenger Cars	Pass. Car Mileage
Acct. 95-B, Pass. Tr. Sup. & Exp.	Pass. Train Mileage
Acct. 95-C, Care of Freight Cars	Frt. Car Mileage
Acct. 95-D, Frt. Tr. Supplies and Exp.	Frt. Train Mileage

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Acct. 96, Interlockers, Block & Other Signals, Operation	Actual
Acct. 97, Crossing Flagmen and Gatemen	Actual
Acct. 99, Clearing Wrecks.	Actual
Acct. 100 Tel. & Tel. Operation	Rev. Trn. Mi.
Acct. 103 Stationery and Printing	Rev. Trn. Mi.
Acct. 104 Insurance	Rev. Trn. Mi.
Acct. 105 Other Expenses	Rev. Trn. Mi.
Acct. 106 L. & D. Freight	Frt. Car Mi.
Acct. 107, L. & D. Baggage	Pass. Trn. Mi.
Acct. 108, Damage to Property	Actual
Acct. 109, Damage to Stock on R. of W.	Actual
Acct. 110, Injuries to Persons	Actual
Acct. 111, Operation of Joint Tracks, Dr.	Actual
Acct. 112, Operation of Joint Tracks, Cr.	Actual

General Expenses:

Accts. 113 to 121 inclusive	Rev. Trn. Mi.
Acct. 122 Gen. Administration Joint Tracks, Yards and Terminal Debit	Actual
Acct. 123 Gen. Admin. Jt. Yds. & Term. Credit	Actual

Division between Freight and Passenger was made as follows:
All accounts exclusively Freight or Passenger were shown accordingly and all other accounts were divided upon Revenue Train Mileage basis.

9440 St. Louis and San Francisco Railroad Company.

Freight, Passenger, Mail, Express, and Various Other Miscellaneous Revenue Accounts Divided Between States as Follows.

Freight Revenue:

Actual, figures taken from the original waybills and Agents' and foreign lines' reports. Interstate shipments divided on a mileage prorate.

Passenger Revenue:

Actual. Figures taken from Agents' and foreign lines' ticket reports. Through tickets divided on a mileage prorate.

Mail Revenue:

As allowed by the government on the various routes. This is a passenger train revenue and in dividing it as between freight and passenger it has been considered all passenger.

Express Revenue.

Wells-Fargo Express:

On mileage guarantee, they giving us a guarantee of so much per mile per annum. All excess being apportioned to the different states on the basis as the guarantee in each state bears to the total guarantee.

Southern Express:

Road mileage basis: i. e., as mileage of this express Company in each state, bears to the total mileage over which it operated.

Adams Express:

Same as Southern Express.
In division of express revenue as between freight and passenger, it has been considered all passenger.

Excess Baggage:

Revenue Passenger Train Mileage prorate, (All passenger).

Special Service Train Revenue
Miscellaneous Revenue from Transportation
Hire of Equipment

} Revenue Train Mileage prorate for division between states. Divided between freight and passenger on respective freight and passenger revenue percentages.

Station and Train Privileges
Parcel Room Receipts
Storage—Baggage
Storage—Freight
Car Service (Demurrage)
Miscellaneous Revenue
Rents of Bldgs. and other Prop.

} Division between states on Road mileage basis. In dividing between freight and passenger, station and train privileges, parcel room receipts, and storage baggage have been considered all passenger; storage freight and car service (demurrage), all freight. Miscellaneous revenue and rents of buildings and other property divided between freight and passenger on respective freight and passenger revenue percentages.

Switching:

Revenue Freight train mileage prorate. (All freight.)

9441 Miscellaneous Income:

Actual, by location, Divided between freight and passenger on freight and passenger revenue percentages.

Interest:

Interest on Bonds divided on mortgage mileage basis. Interest on Equipment Notes divided on Road Mileage Basis. Divided between Freight and Passenger on basis of revenue.

Taxes:

Actual taxes paid in the State for the year 1907. Divided between Freight and Passenger on basis of Revenue.

Rental of Tracks and Terminals:

Actual by location. Apportioned to Freight and Passenger on revenue basis.

9442

EXHIBIT 3.

St. Louis and San Francisco Railroad Company.

Statement Showing Diminution in Freight Earnings Account Applying Freight Rates under Maximum Freight Law of 1907 *for the Months of July, August, and September,* 1907.

For the fiscal year ended June 30th, 1904, we had figures showing Missouri earnings on the Commodities affected by the 1907 bill; also the decreases on the same business applying the rates as shown in the 1907 bill, which are as follows:

	1904. Present rates.	1904. At proposed 1907 rates.	Decrease.
July	$9,376.63	$7,405.06	$1,971.57
August	14,090.44	11,371.77	2,718.87
September	16,575.92	13,240.13	3,335.79
	$40,042.99	$32,016.96	$8,028.03

As our July 1907 freight earnings show an increase of 68.1%, August 29.6% and September 28.3% over the earnings for the respective months of 1904, we have increased the 1904 figures to agree with these percents of increase in order to get an estimate of the 1907 Missouri interstate Earnings on commodities affected by the 1907 bill, and which gives the following result:

	1907. Present rates.	1907. Proposed rates.	Decrease.
July	$15,762.11	$12,447.91	$3,314.20
August	19,670.25	15,874.99	3,795.26
September	21,266.90	16,987.09	4,279.81
	$56,699.26	$45,309.99	$11,389.27

9443 EXHIBIT 4.

(*a*) Upon the basis of the extra cost of state freight business being 50% more than interstate, the result would be:

Interstate ..... $77.62 \times 1 = 77.62 = \frac{77.62}{110.12} = 70.48$,

difference—7.14.

State ..... $20.24 \times 1\frac{1}{2} = 30.36 = \frac{30.36}{110.12} = 27.57$,

difference 7.33 plus.

Miscellaneous ..... $2.14 \times 1 = \frac{2.14}{110.12} = \frac{2.14}{110.12} = 1.95$,

difference—.19.

The extra cost then is 7.33% of all freight operating expense, $1,776,902.28 or $130,246.94.

(*b*) Upon the basis of two times more than interstate:

Interstate ..... $77.62 \times 1 = 77.62 = \frac{77.62}{120.24} = 64.56$,

difference—13.06.

State ..... $20.24 \times 2 = 40.48 = \frac{40.48}{120.24} = 33.66$,

difference 13.42 plus.

Miscellaneous ..... $2.14 \times 1 = \frac{2.14}{120.24} = \frac{2.14}{120.24} = 1.78$,

difference—.36.

The extra cost then is 13.42% of all freight, operating expense, $1,776,902.28, or $228,460.28.

(c) Upon the basis of three times more than interstate:

Interstate ..... $77.62 \times 1 = 77.62 = \frac{77.62}{140.48} = 55.25$,

difference—22.37.

State ..... $20.24 \times 3 = 60.72 = \frac{60.72}{140.48} = 43.23$,

difference 22.99 plus.

Miscellaneous ..... $2.14 \times 1 = \frac{2.14}{140.48} = \frac{2.14}{140.48} = 1.52$,

difference—.62.

The extra cost is then 22.99% of all freight, operating expense, $1,776,902.28 or $408,509.83.

9444 EXHIBIT 6.

Freight Tonnage Statement.

	State.	Interstate.	Total.
Tons carried (Based on actual for September 1907	537,544	1,680,838	2,218,382
Tons carried on- mile (based on actual for September.	33,177,919	220,064,905	253,242,824
Tons carried one mile per mile of road (Based on actual for Sept. 1907)..	19,314	128,111	147,425
Average haul per ton, miles (based on actual for September, 1907)	61.72	130.93	114.16
Average revenue per ton per mile, freight only, (based on actual for September, 1907)	1.739¢	1.006¢	1.102¢
Same, miscellaneous, inclusive, (Based on actual for September, 1907)	.....	.....	1.126¢

Percentages upon ton mile basis are thus ascertained: The total tons carried per mile are 253,242,824, of which 220,064,905, or 86.90% were interstate, and 33,177,919, or 13.10% were state.

Upon a tonnage, the ascertainment is thus made:

The total tons carried in Missouri were 2,218,382, of which 1,680,838, or 75.77% were interstate, and 537,544, or 24.23% were state.

9445 EXHIBIT 7.

Passenger Statement.

	State.	Interstate.	Total.
Passengers carried	960,029	198,416	1,158,445
Carried one mile	31,042,395	21,284,235	52,326,630
Carried one mile per mile of road	18,071	12,391	30,462
Average miles hauled per passenger	32.33	107.27	45.17
Average revenue per passenger per mile, exclusive of mail, express, etc.	1.93¢	1.73¢	1.85¢
Same, inclusive thereof.....	.....	.....	2.22¢

Total passengers carried one mile were 52,326,830, of which 31,042,395, or 39.32% were state, and 21,284,235 or 40.68% were interstate.

This shows the percentages upon passenger per mile basis.

9446 EXHIBIT 8.

If extra cost of doing state passenger business be ascertained upon the revenue basis, then the result is:

If the extra cost be 13, 25, 35 or 30%, upon a revenue basis, it would be thus found: (*a*) at 15%.

Interstate ..... $31.73 \times 1 = 31.73 = \frac{31.73}{107.73} = 29.45$,

difference—2.28.

State ..... $51.56 \times 1.15 = 59.29 = \frac{59.29}{107.73} = 55.04$,

difference 3.48 plus.

Misc. ..... $16.71 \times 1 = \frac{16.71}{107.73} \quad \frac{16.71}{107.73} = 15.51$,

difference—1.20.

Extra cost is then 3.48% of $965,891.78, or $33,613.03.

(*b*) At 25%.

Interstate ..... 31.73 x 1 = 31.73 = $\frac{31.73}{112.89}$ = 28.11,

difference—3.62.

State ..... 51.56 x 1.25 = 64.45 = $\frac{64.45}{112.89}$ = 57.09,

difference 5.53 plus.

Misc. ..... 16.71 x 1 = $\frac{16.71}{112.89}$ = $\frac{16.71}{112.89}$ = 14.80,

difference—1.91.

The extra cost is then 5.53% of $965,891.78, or $53,413.82.

(*c*) At 35%.

Interstate ..... 31.73 x 1 = 31.73 = $\frac{31.73}{118.05}$ = 26.88,

difference—4.85.

State ..... 51.36 x 1.35 = 69.61 = $\frac{69.61}{118.05}$ = 58.97,

difference 7.41 plus.

Misc. ..... 16.71 x 1 = $\frac{16.71}{118.05}$ = $\frac{16.71}{118.05}$ = 14.15,

difference—2.56.

The extra cost is then 7.41% of $965,891.78, or $71,372.58.

(*d*) At 50%.

Interstate ..... 31.73 x 1 = 31.73 = $\frac{31.73}{125.78}$ = 25.23,

difference—6.50.

State ..... 51.56 x 1½ = 77.34 = $\frac{77.34}{125.78}$ = 61.49,

difference 9.93 plus.

Misc. ..... 16.71 x 1 = $\frac{16.71}{125.78}$ = $\frac{16.71}{125.78}$ = 13.28,

difference—3.43.

The extra cost then is 9.93% of $965,891.78 or $95,913.05.

9447 EXHIBIT 9.

Extra Cost of Doing State Passenger Business, Ascertained upon Passenger Per Mile Basis.

The extra cost of doing the state over interstate business ascertained upon the passenger per mile basis, would, upon the basis of the increase of 15, 25, 35 or 50%, thus result:

Total passengers one mile were 52,326,630, of which 21,284,235, or 40.68% were interstate, and 31,042,395, or 59.32% were state. These percentages are thus applied.

(*a*) At 15% Increase:

Interstate ... $40.68\% \times 1 = 40.68\% = \frac{40.68}{108.90} = 37.36\%$,

difference—3.32%.

State ..... $59.32\% \times 1.15 = \frac{68.22\%}{108.90} = \frac{68.22}{108.90} = \frac{62.64\%}{100\%}$,

difference 3.22% plus.

The total passenger expense, exclusive of miscellaneous is 83.29% of the passenger operating expense, $965,891.78, or $804,491.27, of which 3.32%, ascertained as aforesaid, is $26,709.11, which would represent the extra cost.

(*b*) At 25% Increase:

Interstate .... $40.68\% \times 1 = 40.68\% = \frac{40.68}{114.83} = 35.43\%$,

difference—5.25%.

State ..... $59.32\% \times 1.25 = \frac{74.15\%}{114.83} = \frac{74.15}{114.83} = \frac{64.57\%}{100\%}$,

difference 5.25% plus.

The total passenger expense, exclusive of miscellaneous is 83.29% of the passenger operating expense, $965,891.78, or $804,491.27, of which 5.25%, ascertained as aforesaid, is $42,235.79, which would represent the extra cost.

(*c*) At 35% Increase:

Interstate .. $40.68\% \times 1 = 40.68\% = \frac{40.68}{120.76} = 33.69\%$,

difference—6.99%.

State ..... $59.32\% \times 1.35 = \frac{80.08\%}{120.76\%} = \frac{80.08}{120.76\%} = \frac{66.31\%}{100\%}$,

difference 6.99% plus.

The total passenger expense, exclusive of miscellaneous is 83.29% of the passenger operating expense, $965,891.78, or $804,491.27, of which latter sum, 6.99%, ascertained as aforesaid, would represent the extra cost, $56,233.94.

9448 (*d*) At 50% Increase:

Interstate .... 40.68% x 1 = 40.68% = $\frac{40.68}{129.66}$ = 31.37%,

difference—9.31%.

State ..... 59.32% x 1½ = $\frac{88.98\%}{129.66\%}$ = $\frac{88.98}{129.66}$ = $\frac{68.63\%}{100\%}$,

difference 9.31% plus.

The total passemger expense, exclusive of miscellaneous is 83.29% of the passenger operating expense, $965,891.78, or $804,491.27 of the latter sum, 9.31% ascertained as aforesaid, would represent the extra cost, $74,898.14.

9449 EXHIBIT 10.

Mileage, Bond, and Stock Statement.

Total Miles of railroad (owned)	5,023.10
Total Miles in Missouri "	1,713.97
Total Bond Issue	$198,480,381.83
Bond issue per mile	$39,513.52
Bond issue for Missouri, on mileage basis	$67,724,987.87
Total stock issue	$50,000,000.00
Stock issue per mile	$9,954.01
Stock Issue for Missouri, on a mileage basis	$17,060,874.52

9450 EXHIBIT 11.

St. Louis and San Francisco Railroad Company.

Intrastate Freight and Intrastate Passenger Proportions of 6% on the Equity in the Property.

Freight.

The $50,000,000.00 Capital Stock, if apportioned to the various states on a road mileage prorate using road mileage owned *at* September 30th, 1907, as per exhibit 10, would give Missouri proportion as undernoted:

Total road mileage owned at Sept. 30, 1907	5,023.10
Road Mileage in Missouri	1,713.97
Capital stock per mile	9,954.01
Total for Missouri	$17,060,874.52
14.38% (being intrastate freight proportion) of 6% on $17,060,874.52 for three months, equals	36,800.31

Passenger.

The same explanation applies with respect to passenger business as the above on freight business, only that the passenger intrastate proportion is 14.92% and the result is as follows:

14.92% of 6% on $17,060,874.52 for three months equals $38,182.24

Ex. 3.

St. Louis and San Francisco Railroad Company.

Earnings, Operating Expenses, and Fixed Charges, State of Missouri, Three Months to September 30th, 1907, Divided Between Intra and Inter state, on Basis of Revenue, Without Allowing Additional Expense Account Excess Cost of Doing Intra over Inter state Business.

	Freight.				Passenger.				
	Intrastate, 20.68% 20.24% 14.38%	Interstate, 79.32% 77.62% 55.16%	Miscl. Frt., 2.14 1.51%	Total.	Intrastate, 61 90% 51.56% 14.92%	Interstate, 38.10% 31.73% 9.19%	Mail, Exp. and Miscl., 16.71% 4.84%	Total.	Grand total.
Earnings—									
Freight	$577,192.84	$2,214,002.82	.....	$2,791,195.66	.....	.....	.....	.....	$2,791,195.66
Passenger	.....	.....	.....	.....	599,051.59	368,687.43	.....	967,739.02	967,739.02
Mail	.....	.....	.....	.....	.....	.....	90,780 71	90,780 71	90,780.71
Express	.....	.....	.....	.....	.....	.....	87.823 88	87,823 88	87,823.88
Miscellaneous	.....	.....	60,903.59	60,903.59	.....	.....	15,547.86	15,547.86	76,451.45
Total	$577,192.84	$2,214,002.82	$60,903.59	$2,852,099.25	$599,051.59	$368,687.43	$194,152.45	$1,161,891.47	$4,013,990.72
Operating Expenses—									
Maintenance of Way and Structures	$67,699.13	$259,624.83	$7,157.91	$334,481.87	$131,174.64	$80,724.81	$42,512.19	$254,411 64	$588,893 51
Maintenance of Equipment	83,759.73	321,216.92	8,856.02	413,832.67	97,037.92	59,717 09	31,448.86	188,203 87	602.036.54
Traffic Expenses	8.443.81	32,381.·3	892 77	41,718 41	19.132.93	11,774.40	6,200.76	37,108.09	78,826.50
Transportation Expenses	189,061.69	725,047.86	19,989.73	934,099.28	230,086.05	141,594 85	74,568.23	446,249 13	1,380,348.41
General Expenses	10,680.66	40,960.11	1,129.28	52,770.05	20,582.26	12,666.32	6,670.47	39,919 05	92,689.10
Total	$359,645 02	$1,379,231.55	$38,025 71	$1,776,902 28	$498,013.80	$306,477.47	$161,400.51	$965,891.78	$2,742,794 06
Net Earnings	$217,547.82	$834,771.27	$22,877.88	$1,075,196.97	$101,037.79	$62,209.96	$32,751.94	$195,999.69	$1,271,196 66

Taxes	$9,969.06	$38,231.17	$1,054.04	$49,254.27	$8,804.13	$5,418.05	$2,853.31	$17,075.49	$66,329.76
Interest	117,775 28	451,772.21	12,367.22	581,914 71	122,198 00	75,268.07	39,640.64	237,106.71	819,021.42
Rentals	12,791.23	49,054.11	1,352.43	63,197 77	11,293.78	6,950.18	3,660.18	21,904.14	85,101 91
Total	$140,535.57	$539,057.49	$14,773.69	$694,366.75	$142,295.91	$87,636.30	$46,154.13	$276,086.34	$970,453.09
Balance	$77,012.25	$295,713.78	$8,104.19	$380,830.22	$41,258.12	$25,426.34	$13,402.19	$80,086.65	$300,743.57

Adding percents as undernoted to Intrastate freight and Passenger Traffic, account excess cost of doing Intrastate business, the net results will be as follows:

50% more	$53,234.69	$422,406.91	$11,658.00	$380,830.22	15%	$74,871.14	3,404.02	1,811.49	$80,086.65
Twice as much	161,448.03	527,777.21	14,501.04	380,830.22	25%	94,671.93	9,538 93	5,046.35	80,086.65
Three times as much	331,497.58	693,206.81	19,120.99	380,830.22	35%	113,830.69	21,419.40	11,324.64	80,086.65
					50%	137,171.16	37,356.62	19,727.89	80,086.65

9452 Ex. 4. Filed Dec. 30, '08.

How the States Make Interstate Rates.

Robert Mather.

A Paper Prepared for the American Academy of Political and Social Science. April 11, 1908.

9453 *How the States Make Interstate Rates**

The widespread efforts of state legislatures and railroad commissions within the past two years to reduce railroad rates have presented many interesting phases to public observation. The extent and severity of the proposed reductions, the novel expedients adopted to prevent or to make difficult a review of the state action in the federal courts, the resulting conflict of judicial authority and the recent decision of the Supreme Court of the United States holding these expedients unconstitutional have kept the movement constantly in the public mind. Out of the many questions which discussion of the situation has evolved none are more interesting or important than those relating to the effect of state-made rates upon rates for interstate transportation. It is the purpose of this article not to show that the rate-making power of the states should be diminished or destroyed, or that this object, if desirable, can or cannot be accomplished under the federal constitution, but merely to state and to illustrate the proposition that, in fact, the States *do* make interstate rates.

The great movements of traffic in this country are Eastward and Westward. The volume of the Westward movement has always been high class merchandise,—dry goods, wearing apparel, gro-
9454 ceries, hardware, and like articles. Formerly this was all produced in the East or imported through Atlantic ports; it is only within recent years that the larger cities in the West have become manufacturing centers.

When the evolution of our rate fabric began New York, Boston, Philadelphia and Baltimore were the bases of supply. Chicago, St. Louis, St. Paul, Omaha, and Kansas City owe their development as trade centers primarily to strategic location at the head of navigation, or at points where the trans-continental trails left the watercourses for the West, Northwest, and Southwest. They commenced as outfitting points for prospectors and settlers; their business was that of distributing through the new Western country the articles of commerce manufactured in or imported through the East; and that still constitutes a large part of their trade.

When railroads found their way to Chicago and St. Louis their rates were fixed largely by the water competition which met them on their arrival. Gradually railroads were constructed Westward from

*Much of the matter and all the maps for this article were prepared by Mr. Theodore Brent, of the Traffic Department, Rock Island-Frisco Lines, Chicago.

these points and, as they reached common territory, the force of competition began to be felt. Intense rivalry developed between the distributing houses of Chicago and St. Louis, and pressure was brought to bear upon the railroads, both East and West, to keep the rate fabric so adjusted that goods, stored in and distributed from either city, might be laid down at any of the Missouri River points at substantially the same freight cost. The class rates from
9455 New York to Chicago thus became the basis of measurement for all class rates. The St. Louis rate was a fixed per cent higher, approximating the difference in the cost of reaching that point by water. The rates between the Mississippi River and Chicago on the one hand and the Missouri River on the other were fixed not at what would be a reasonable rate for the distance, but at what it was necessary to maintain in order that St. Louis and the lines leading through St. Louis might compete with Chicago for the expanding business of Kansas City, Atchison, St. Joseph, and Omaha.

In the territory west of the Missouri River the same process has been repeated, and rates are maintained in such relation not only that Kansas City, St. Joseph and Omaha may compete with each other, but that goods distributed from St. Louis and Chicago, as well as from the Eastern cities, may be handled through either Kansas City, St. Joseph or Omaha and laid down at the several consuming points at practically the same freight cost. In the Northwest this same competitive adjustment is maintained between Chicago, Duluth, Minneapolis and St. Paul. In the Southwest, Chicago, St. Louis and Kansas City must be kept on an even keel, and when Texas is reached, the whole adjustment is modified to meet the competition of coastwise steamers plying from New York to Galveston. To Colorado and Utah, the routes through all these gateways are kept in constant adjustment, and the rates so arranged that Denver and Pueblo are enabled to do a distributing business.

9456 What is true of Westbound merchandise is equally true of the movement to the East of the great staples raised in the West. The grain territory is so divided and rates are so made that grain may move freely to the Mississippi River, the lakes and the gulf, through the great storage centers of Minneapolis, Duluth, Chicago, St. Louis, Omaha and Kansas City. In like manner live stock rates are so arranged that the traffic may move freely to the rival packing centers of Kansas City, St. Joseph, Omaha, St. Paul, Chicago and St. Louis.

These rate relations are not the work of the traffic departments of the railroads. They do not exist by virtue of acts of legislatures or of orders of commissions. They are the resultants of the commercial growth of the country. Trade is established along these lines; industries and communities are founded on the basis of these adjustments, and their existence and prosperity depend upon the continuance of these rate relations. They are the controlling facts in all rate disputes—more stubborn than distance and as immovable as mountains.

There is hardly a rate on any article of commerce but feels the

force of these competitive conditions. They absolutely dictate the traffic policy of the railroads operating in the territory affected by them. The carrier makes no rates that are not effectively moulded by these conditions, and the rate-making power of the Interstate Commerce Commission itself cannot ignore them. The only rate-regulating body that makes rates without reference to these commercial conditions is the legislature or the railroad commission of a
9457 single state. Its field of operations includes but a fraction of the territory whose traffic is controlled by these conditions; contains but few of the larger distributing centers which compete for that traffic; and is usually circumscribed, either wholly or in part, by imaginary boundaries fixed without regard to factors which exercise controlling influence upon the trend of traffic and of rates. The influence of lakes, of rivers and canals, the competition of rival markets, the relation between manufacturer and dealer, and other like forces that, in the making of rates, confront the traffic officer of an interstate railroad and the Interstate Commerce Commission itself, enter but slightly, if at all, into the calculations of the state. In every case, in the exercise of its rate-making power, distance is the one factor given serious consideration; and the result of its labors is invariably the production of a distance tariff.

This state distance tariff, is, on its face, a simple and a harmless thing. The right of the state to make it and to change it at its will seems to be amply buttressed by the conceded principle of law that the power of Congress over interstate commerce leaves untouched the power of the states to regulate their purely internal commerce. And no simpler or less obnoxious method of exercising that power would seem possible than to prescribe the rates at which traffic shall move fom point to point within the state.

But when the traffic officer of an interstate railroad comes to apply this state distance tariff, made for state use on purely local
9458 considerations, to the traffic that actually moves over his rails, he finds that he cannot confine its influence to traffic within the state, and that, against his will and without his action it readjusts his rates into and out of and through the state, and determines his revenue on traffic that never traverses the borders of the state. This is illustrated by the action of the following States:

Missouri and Iowa.

Missouri has a far-reaching control over interstate rates by reason of the situation of the state at the point of least distance between the Mississippi River—the basing line for rates from the East—and the Missouri River, the base line for rates to the West.

There are three factors which go to make up the rates from the East to the Western territory—whether or not they are published as through rates—namely, the rate from the seaboard to the Mississippi River or Chicago; the rate from the latter base line to the Missouri River; and the rate west of the Missouri River. Reduce the rate between the Mississippi River and the Missouri River and you reduce the rates on all business either locally or through or beyond these base lines.

The First Class rate between the Mississippi and Missouri Rivers practically determines the interstate rates on all classified articles moving between the East and West. It is at present 60 cents per 100 pounds, this being the figure fixed by the Missouri Rail-
9459 road and Warehouse Commission as a reasonable maximum rate for the short-line haul of approximately 200 miles across the State from the Mississippi to the Missouri—the distance from Hannibal to St. Joseph being 196 miles, and from Hannibal to Kansas City, 199 miles. Note the chart:

Though this rate is based on the distance of 200 miles, competitive conditions outside the state apply it at once to all hauls across the state, no matter what their distance. The short line from St. Louis to St. Joseph is 302 miles, and lines operating between those cities would be privileged, under the commission's maximum scale, to charge 74 cents, First Class. The short line between St. Louis and Kansas City is 277 miles, for which distance the Commis-
sion's scale is 71 cents, First Class. But here considerations
9460 enter which are entirely outside the horizon of the Missouri commission. The rates from New York to Hannibal and St. Louis are the same. There are routes leading from New York to St. Joseph and Kansas City, through both Hannibal and St. Louis. Kansas City and St. Joseph compete in the same trade territory, and the rates to both points from New York must be kept the same through all gateways. Consequently the Commission's maximum rate for the shortest distance becomes the rate between all four crossings:—

Thus the element of distance even between points within the state is immediately modified by outside forces, controlling with the carriers, but which exerted no influence upon the commission when it fixed the nominal measures of the rates.

9461 Just north of Missouri lies the State of Iowa. To the untutored mind there would seem to be no reason why traffic of the same class should move within the State of Iowa for a less charge than within the State of Missouri. Yet the maximum charge under the Iowa distance tariff for hauling First Class merchandise 200 miles is 40 cents, as against 60 cents fixed by the Missouri tariff. The railroads in Iowa must haul the same class of merchandise 350 miles to be entitled to charge 60 cents, but, significantly enough, the 350 miles measure the distance in Iowa between the Mississippi and the Missouri rivers, so that the rate between the two base lines is the same in both States. Should Missouri adopt the Iowa scale, the Missouri rate from the Mississippi River to the Missouri River, between all the points in Missouri that we have been considering, would, for the reasons already given, at once become 40 cents, regardless of distance.

The effect within the State of Missouri, however, is only the beginning. The rate between the Mississippi and Missouri Rivers being, as previously explained, one of three factors of a through adjustment from points of production in the East; the rates from the East to all Mississippi River crossings being the same; there being competitive routes from the East to all Missouri River points passing through all of these Mississippi River crossings; and the merchants and manufacturers in the Mississippi River cities maintaining trade relations with all of the Missouri River cities and with the territory reached through them; it follows that the rate between Dubuque, Ia., and

Dubuque
Freeport
Illinois Central R.R.
Clinton
Davenport
Omaha
Council Bluffs
Burlington
Illinois Central R.R.
Neb. City
Keokuk
Auburn
Quincy
St. Joseph
Hannibal
Clinton
Atchison
Leavenworth
Kansas City
Rock Island R.R.
St. LOUIS
East St. Louis

Kansas City, Mo., cannot be higher than the rate between
9462 Dubuque and Council Bluffs (both points within the State of Iowa); nor can the rate between St. Louis, Mo., and Omaha, Neb., be higher than the rate between St. Louis and Kansas City or between St. Louis and St. Joseph (movements wholly within the State of Missouri).

Thus from the act of the Missouri commission in reducing its distance tariff from 60 cents to 40 cents for 200 miles, the following results directly flow:

(*a*) The local *Missouri* rate from points on the Mississippi River to points on the Missouri River, regardless of mileage, is reduced from 60 cents to 40 cents;

(*b*) The local *Iowa* rate from points on the Mississippi River to points on the Missouri River (say Clinton to Council Bluffs, 350 miles) is reduced from 60 cents to 40 cents;

(*c*) The *interstate* rate from points on the Mississippi River in Missouri to points on the Missouri River in Iowa or Nebraska (say St. Louis to Council Bluffs or Omaha) is reduced;

(*d*) The *interstate* rate from points on the Missouri River in Missouri to points on the Mississippi River in Iowa (say Kansas City to Davenport) is reduced.

(Here follows diagram marked p. 9463.)

Not only this, but this Missouri commission rate for 200 miles fixes the maximum rate which the Missouri Pacific Railway may charge for its haul of 488 miles between St. Louis and Omaha,
9464 through Missouri, Kansas and Nebraska; and in like manner the rate of the Illinois Central Railroad for its haul of 703 miles between the same points, through the States of Missouri, Illinois and Iowa. See the map.

Thus, within the territory enclosed by the Illinois Central, Missouri Pacific and Rock Island as outlined on the map, any reduction made by the Missouri commission in the Class Rates for the 200 mile distance between Hannibal, Mo., and Kansas City, Mo., has the effect of bringing all rates to the level so fixed, not only between the crossings themselves but, with very slight exceptions, between all intermediate points.

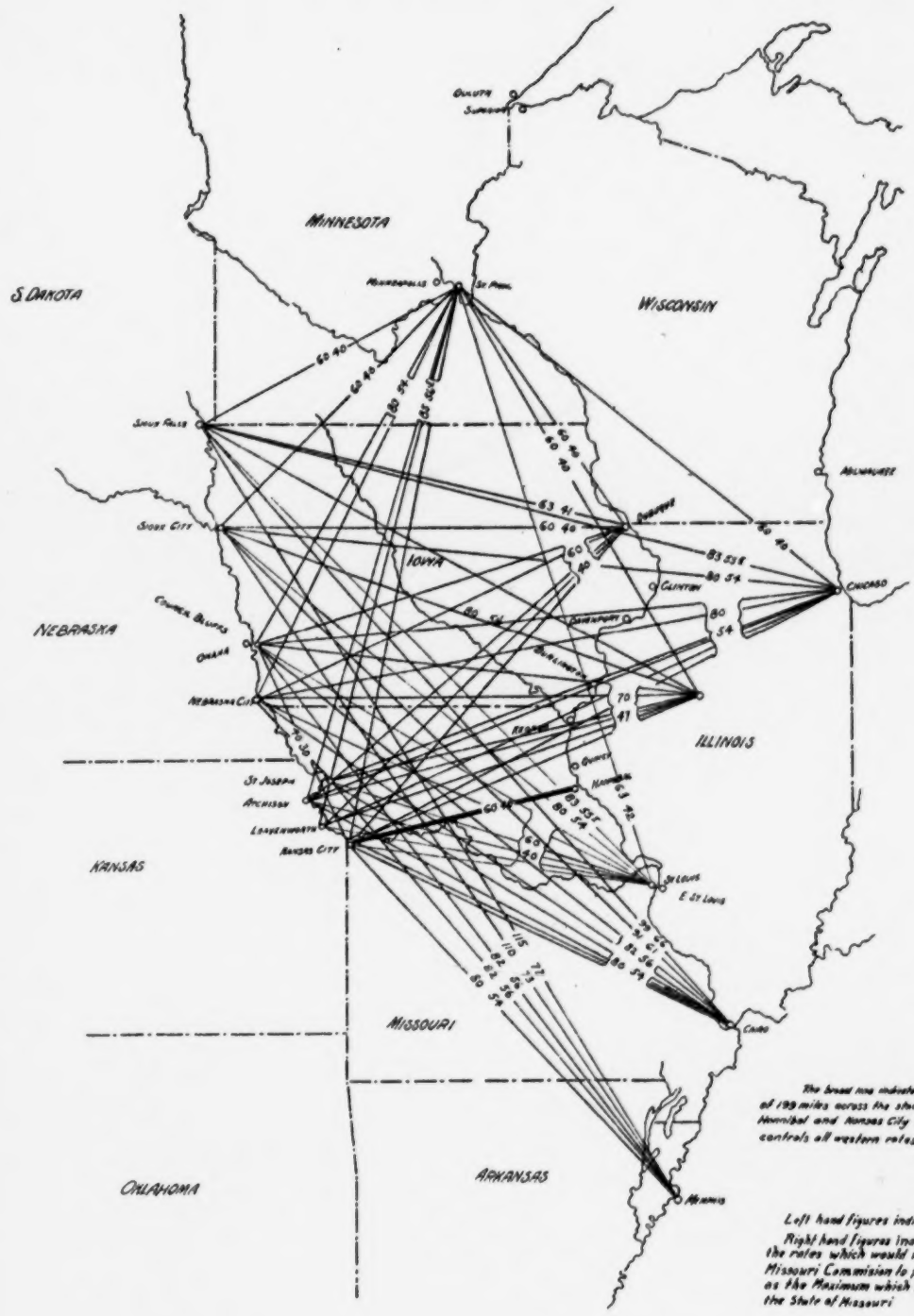
This, again, is but a preliminary glimpse at the inevitable results of this action of the Missouri State Commission.

The First Class rate from Chicago to the Missouri River has for many years been 20 cents per 100 pounds higher than the rate from the Mississippi River. The competitive adjustment would require that there be no greater difference under the new scale. Indeed, the rates from the seaboard to Chicago and the Mississippi River remaining as at present, it is doubtful if Chicago and the routes through Chicago could compete should the present arbitrary difference be maintained under the reduced adjustment. The present rate of 80 cents, First Class, from Chicago, is one-third higher than the rate from the Mississippi to the Missouri River. It is probable that not more than one-third greater would be practicable under the lowered scale, which would make the First Class rate from Chicago 54 cents per 100 pounds.

9465 Peoria must be maintained at one-half the difference between Chicago and the Mississippi River. Milwaukee must be kept on the same rate basis as Chicago. The rates from Minneapolis and St. Paul must be kept the same as Chicago to the Upper Missouri River crossings, (Omaha, Council Bluffs and Nebraska City), and 5 cents higher than Chicago to the lower crossings, (St. Joseph, Atchison, Leavenworth and Kansas City). Duluth takes fixed arbitraries above St. Paul. The intervening territory in Wisconsin, between Milwaukee and St. Paul, is built on arbitraries over either Chicago, Milwaukee or St. Paul, and would call for readjustment accordingly. From Memphis, Tenn., not higher than the Chicago rates can be maintained to Lower Missouri River crossings, and to the upper crossings the First Class rate from Memphis cannot be more than two cents higher than Chicago. To Sioux City the rate from Chicago, St. Louis and Peoria must be kept the same as from Chicago to Omaha. The First Class rate from Memphis to Sioux City is to-day 30 cents higher, and from Minneapolis to St. Paul 20 cents less, than from Chicago to Sioux City, and the same percentage relation must be maintained on the lowered scale.

The immediate result, then, of the fixing by the Missouri Commission of a maximum charge of 40 cents, First Class, for the distance of 200 miles between Hannibal, Mo., and Kansas City, Mo., is to fix the rates for all routes shown on the accompanying map of what is termed Western Trunk Line territory:—

(Here follows diagram marked p. 9466.)


MINNESOTA
S. DAKOTA
WISCONSIN
IOWA
NEBRASKA
ILLINOIS
KANSAS
MISSOURI
OKLAHOMA
ARKANSAS
Minneapolis
St. Paul
Sioux Falls
Sioux City
Council Bluffs
Omaha
Nebraska City
St Joseph
Atchison
Leavenworth
Kansas City
Quincy
Hannibal
Clinton
Davenport
Rock Island
Chicago
St Louis
E St Louis
Cairo
Memphis
60 40
80 54
63 41
70 41
115 72
110 68
82 62
56 50
The broad line indicates the short line distance of 199 miles across the state of Missouri between Hannibal and Kansas City which measures and controls all western rates.
Left hand figures indicate present rates
Right hand figures indicate approximately the rates which would result were the Missouri Commission to prescribe the Iowa scale as the Maximum which may be charged in the State of Missouri

LEGEND

The shaded field indicates the territory immediately affected by any change in the Missouri Commission's maximum rate for the controlling distance of 199 miles between the Mississippi River and Missouri River base lines.

If the controlling factor in Western Trunk line territory be reduced by State action in Missouri the daily revenue on East and West business falls automatically in proportion.

The water lines indicate the principal through routes operated by the Rail and Water carriers, which move upward or downward automatically with any fluctuation in the all-rail rates.

9467 The foregoing outline illustrates only the adjustment of First Class rates. In Western Classification territory there are five numbered and five lettered classes, and the other classes all bear a certain percentage relation to the First Class rates. This is true to the extent that any considerable reduction in the rate on First Class involves necessary proportionate reductions in the rates on other classes—the severity of any such reduction lessening, of course, as the rates themselves grow less; but the rates on all classes must go down if one goes down, so that the same fixed relation between the classes may be maintained on the lower as on the higher basis.

Similarly, the outline only illustrates the change in the adjustment between the principal basing points in Western Trunk Line territory. But around these basing points are grouped all the adjacent cities and towns; so that an adjustment once reduced from Chicago, or Peoria, or the Mississippi River to the Upper or Lower Missouri River points, a corresponding reduction results from all points, both of origin and of destination, held common with these basing points. So the reductions become automatic covering all interstate movements throughout the whole territory pictured in the outline.

The illustration thus far deals only with the change in rates on business which may be termed purely local to the territory immediately embraced in the illustration—that is, business which has both origin and destination within the territory. We have not yet touched upon that volume of Eastern business to the Missouri River cities, to St. Paul and Duluth, and to the territory beyond as far
9468 West as the States of Utah, Idaho and Montana, or to the Southwest, including the State of Texas and Territory of New Mexico. Yet the rates on this business are quite as vitally involved. The competitive adjustment between Chicago, Peoria, Memphis, the Mississippi River, and the head of the Lakes, as previously described, was originally evolved and has since been maintained in a measure to permit this merchandise to move freely by all routes to this Trans-Missouri, Northwestern and Southwestern territory. Whenever the Western factors of the through rates to this territory are reduced, the rates on such through business fall simultaneously with the rates on the local business.

Merchandise for this Western territory moves from the East by every conceivable route. Every all-rail line and every conceivable combination of rail lines publish the rates. During lake navigation daily boats carry this merchandise to Chicago, Milwaukee and the head of the Lakes. It is handled by steamer in connection with rail lines from every South Atlantic port from Norfolk to Jacksonville. There is a steamer load despatched daily from New York and given to the rail lines at the port of Galveston, Texas. The rate fixed by the authority of the State of Missouri, between Hannibal and Kansas City, and based on purely local considerations, has its leveling effect upon the rates on every pound of this vast traffic. The next map shows the ultimate reach of the rate-making power of Missouri.

(Here follows diagram marked p. 9469.)

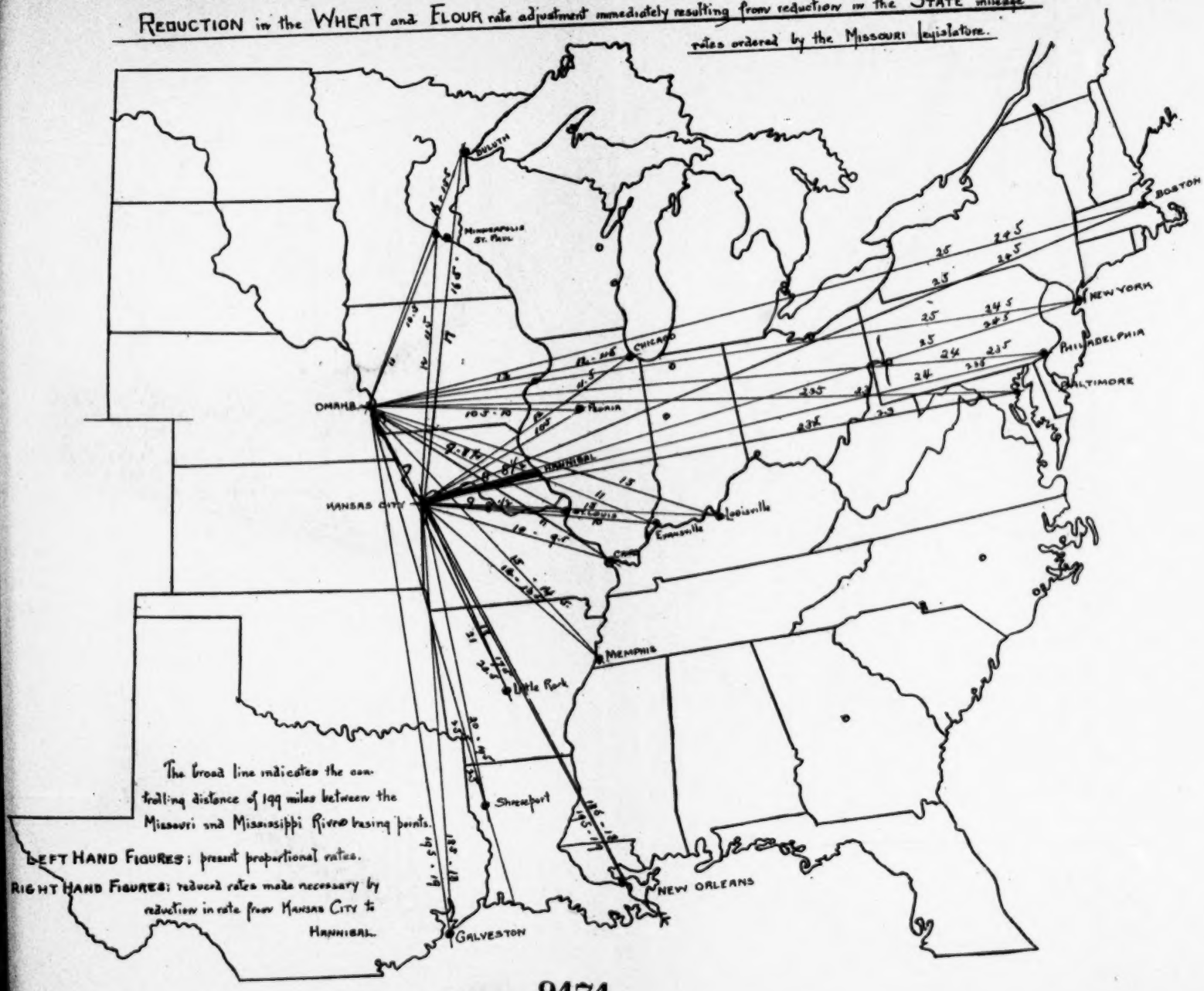
It is true that the illustration has proceeded thus far on the assumption that Missouri might make a reduction in its existing
9470 Class Rates, and not on the fact that such reduction has been made. But Iowa has precisely the same control over interstate adjustments that the illustration demonstrates Missouri to have, and as matter of fact East and West Class Rates are what they are to-day because Iowa some years ago prescribed 60 cents as the maximum charge, First Class, for the haul within its borders between the Mississippi and the Missouri Rivers. The Iowa distance tariff of 1887 actually measures to-day the revenues of the interstate railroads on all interstate freight passing into or out of or beyond that State.

Besides, Missouri has actually made radical reductions in other rates that illustrate as well the principle of our contention. The legislature of 1905 ordered drastic reductions of rates on grain, flour, lime, salt, cement, stucco, lumber, agricultural implements, furniture, wagons and live stock, and the legislature of 1907 added stone, gravel, and other commodities. The rates have not been published, as the constitutionality of the legislation is in question before the courts, but if the State's right to order the reductions is finally established, the interstate rates on these bulk commodities, which constitute a large percentage of the carload tonnage of all Western carriers, will come down with them.

The reductions which will result in rates on grain will illustrate. The short line distance rate between the Missouri and Mississippi Rivers will be reduced from 13 cents per 100 pounds, on wheat, and 12 cents per 100 pounds on corn and other grain, to 8½ cents
9471 per 100 pounds on all grain. The State's action also calls for a reduction of a half-cent per hundred pounds in the proportional rate on wheat between Kansas City and Hannibal. This proportional rate of 9 cents is the rate applied on all wheat coming from beyond the Missouri River, and, as in the case of the Class Rates, it is the pivotal rate in the whole adjustment. If the legislature's action is finally upheld, a readjustment of the whole rate fabric on Western grain will result. There is no more sensitive adjustment in existence than the grain rates. No single part of any of the through rates can be disturbed without disturbing the revenue on a large part of the whole movement.

Competition and market conditions require that the rates on grain from the States of Kansas and Nebraska shall be so adjusted that the grain raised in those States can move Eastward freely through either of the primary markets at the Missouri River, Kansas City or Omaha. When these markets are reached, not alone the grain markets of the United States, but the foreign markets as well must be open to the producer, so that the Nebraska or Kansas producer may have the benefit of the best prevailing market price of the world to-day; and the adjustment must be maintained from day to day so that the large grain buyers may take the surplus grain into elevator storage, not only at the Missouri River, but at the large storage points at the Mississippi River, the Ohio River, the Lake ports, the milling centers, and the Atlantic and Gulf seaboard, with the full

REDUCTION in the WHEAT and FLOUR rate adjustment immediately resulting from reduction in the STATE mileage rates ordered by the Missouri legislature.



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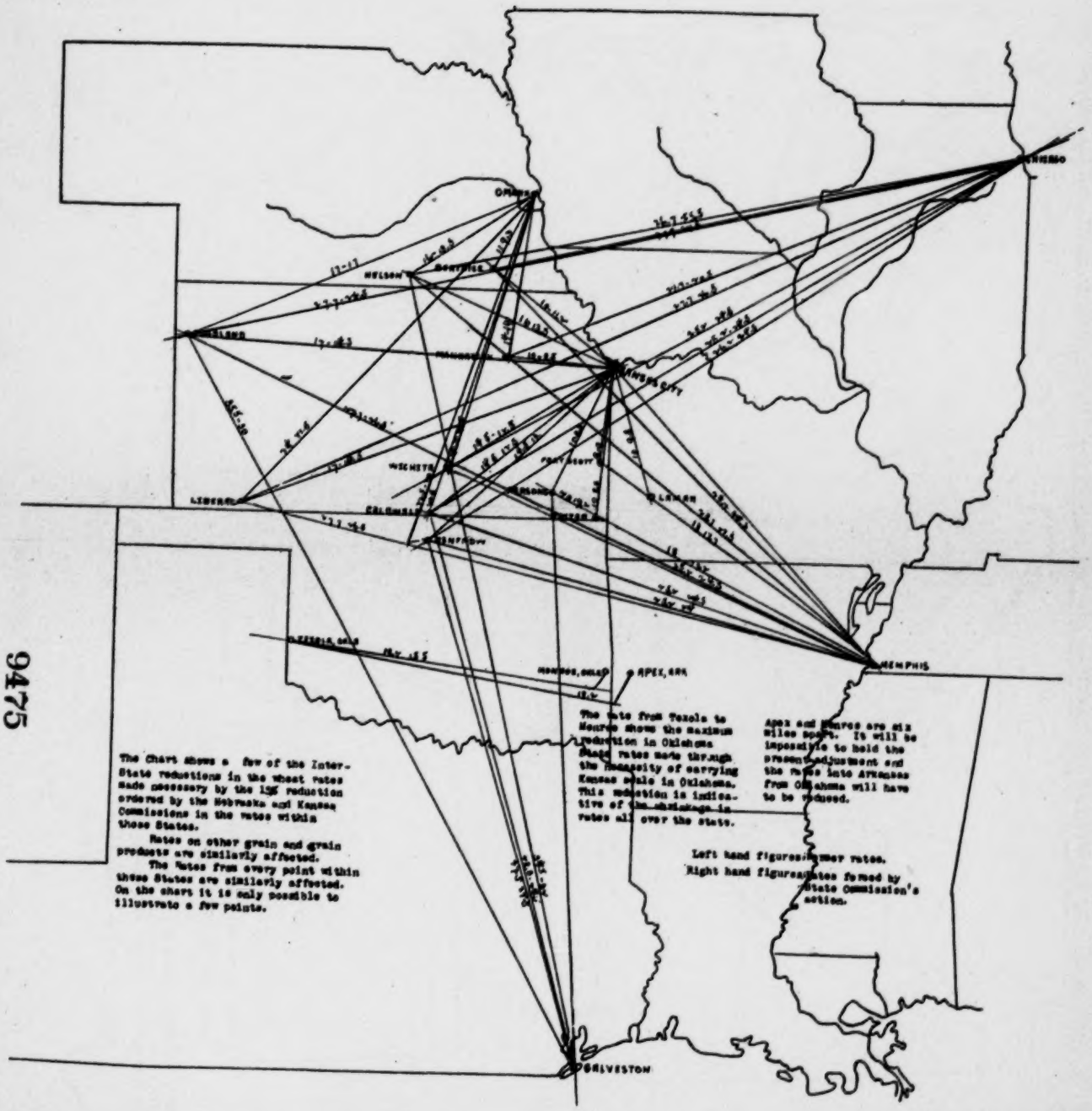

MEMPHIS
GALVESTON
APEX, ARK
The Chart shows a few of the Inter-State reductions in the wheat rates made necessary by the 15% reduction ordered by the Nebraska and Kansas Commissions in the rates within those States.
Rates on other grain and grain products are similarly affected.
The rates from every point within these States are similarly affected. On the chart it is only possible to illustrate a few points.
The rate from Texola to Monroe shows the maximum reduction in Oklahoma State rates made through the necessity of carrying Kansas grain in Oklahoma. This reduction is indicative of the shrinkage in rates all over the state.
Apex and Monroe are six miles apart. It will be impossible to hold the present adjustment and the rates into Arkansas from Oklahoma will have to be reduced.
Left hand figures former rates.
Right hand figures rates formed by State Commission's action.

9475

assurance that when the demand makes Eastern or Southern
9472 shipment desirable he will have a parity of rates in either direction through any market. If the reduced rates are finally enforced the material reductions within the State will be insignificant compared with the automatic reductions in the interstate adjustment which must follow. The same reduction must be made from Omaha, not only to St. Louis but to the other Mississippi River crossings; to Peoria and Chicago, the gateways to the Central States; to Louisville, Evansville, Cairo and Memphis, the market points for all the Southeastern States; to Little Rock, Texarkana, Fort Worth, Dallas and Shreveport, the principal market gateways for the States of Arkansas, Louisiana and Texas; and to Minneapolis, the largest of the milling centers. Any reduction in the rate to the Mississippi River and Chicago means just that much reduction in the revenue on grain moving to Boston, New York, Philadelphia, Baltimore and Newport News for export, as these rates are all made on the Mississippi River combination. And when these rates go down, a similar reduction is forced in the rate to Pensacola, Fla., Mobile, Ala., New Orleans, La. and Port Arthur and Galveston, Texas, for export.

It has never been found feasible to carry local and proportional rates on the same basis, and there is therefore the probability of further reduction in the proportional basis. To what figure the proportional rate on wheat across Missouri might fall as the result of carrying a local rate of 8½ cents, is of course, problematical. The
9473 rates up to this time have always been maintained about four cents lower than the local rates. The accompanying chart only illustrates the direct reductions in the existing proportional rates:—

(Here follow diagrams marked pp. 9474 & 9475.)

KANSAS AND NEBRASKA.

During the year 1907 the Railroad Commission of Kansas forced a reduction of 15 per cent in the existing rates on grain within the State. A reduction in grain rates always applies as well on flour, meal, and other grain products. The Nebraska Commission forced a 15 per cent reduction in State rates, not only on grain and grain products, but on live stock, coal, lumber and fruits and vegetables.

Kansas and Nebraska do not consume a hundredth part of what they produce, and the great bulk of the commodities consumed within these States is produced outside of them. The freight destined from points of origin within either State and moving under the State's mileage rates to points of consumption within the State, is as nothing to that which moves to points beyond the State. That is to say, nearly all the traffic of both the States is interstate, and subject to the influence of the competitive interstate rate adjustments.

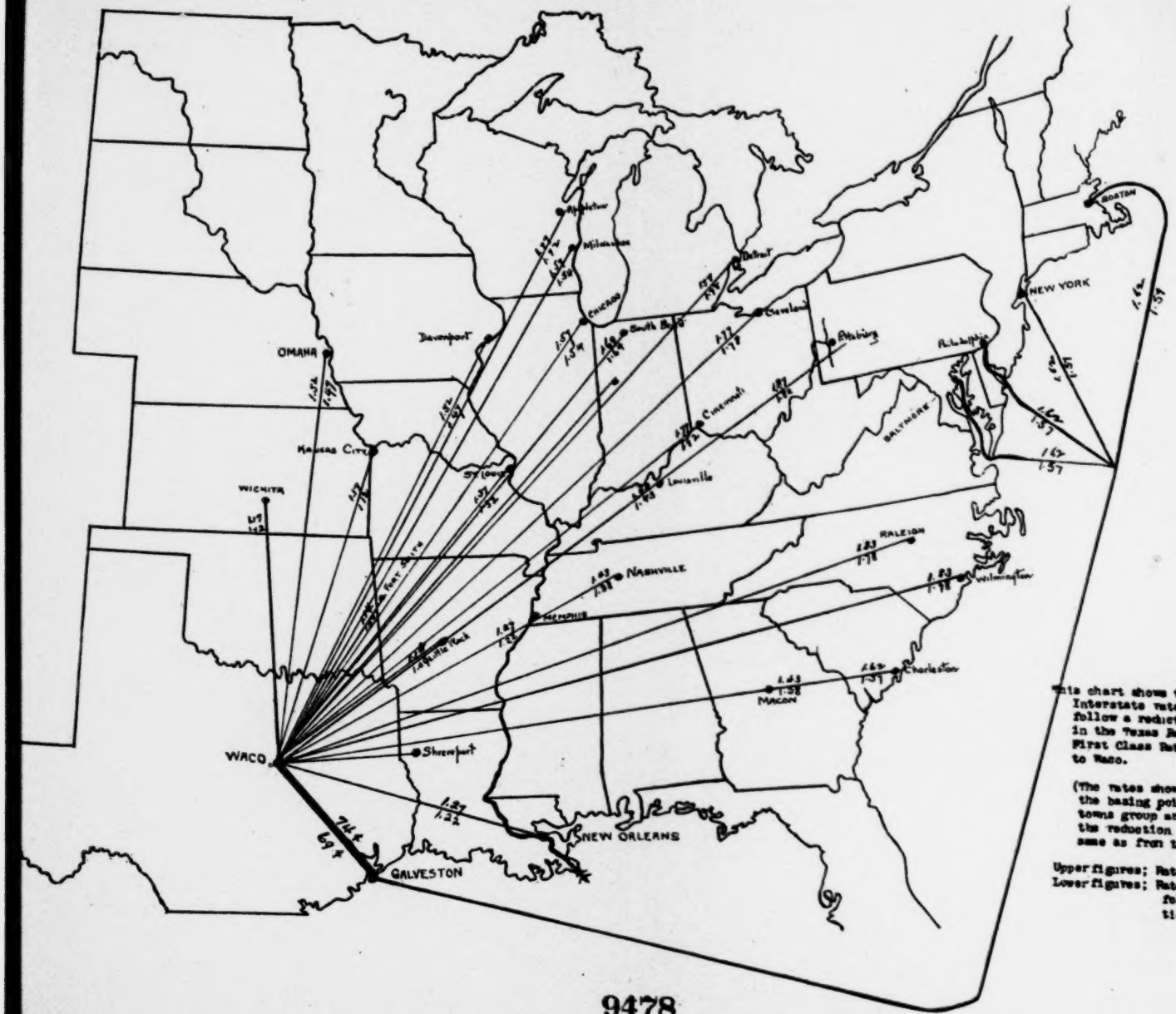
The products of Kansas and Nebraska find their primary markets (Kansas City, Kan., and Omaha, Neb.,) on the Missouri River at the extreme Eastern boundary of the state, and the state regulation fixes the rate at which the product is hauled from points of production to these primary markets, no matter what the ultimate destination of the product may be. As a result, the 15 per
9476 cent reductions in the grain rates required by both State Commissions, have called for a flat reduction of just that amount in all interstate rates, and a corresponding shrinkage in railroad revenues on practically all of the grain raised in both the states.

A contingent result is a horizontal reduction in the rates on Oklahoma grain. The Choctaw line of the Rock Island operates in Oklahoma under a charter which provides that its rates in that state must not be higher than they are in the states from which it enters Oklahoma. The line enters Oklahoma from Kansas, as well as from Arkansas, and the charter provision required an immediate adjustment of the Oklahoma rates on the Kansas scale. With the Oklahoma rates on the Kansas basis it was found impossible to maintain the adjustment formerly prevailing from points in Southern Oklahoma to points in Texas, and a readjustment there was necessary. Similar reductions of the rates to Arkansas points will be required.

This situation clearly illustrates the interdependence of state and interstate rates. The accompanying chart will give a partial illustration of the situation. It can, of course, picture the effect only at a few points. The reductions are general, affecting every point:

TEXAS.

In Texas, State regulation of rates is deliberately designed to control the rates on Interstate business both into and out of the State. There is, from the standpoint of the State, excellent reason
9477 for this policy; for, aside from its timber and a portion of its grain, little which Texas produces is consumed within the State, and the bulk of the food stuffs, wearing apparel and manu-



This chart shows the reduction in Interstate rates which would follow a reduction of Five Cents in the Texas Railroad Commission's First Class Rate from Galveston to Waco.

(The rates shown apply only from the basing points. All other towns group around these and the reduction from all is the same as from the basing point.)

Upper figures; Rates at present in effect.
Lower figures; Rates which would apply following the above mentioned reduction.

factured articles which its citizens consume or use are imported from other States.

The State Commission has always conceived it to be to the State's interest to link its fortunes with the coastwise steamship lines rather than with the all-rail carriers reaching the State through its Northern gateways. Consequently the Commission has made the port of Galveston the radiating point in its adjustment. The class rates from the Eastern seaboard have always been made the exact combination of the steamship rates from New York, Boston, Philadelphia and Baltimore to the port of Galveston, plus the Commission's local rates thence to every point in the State. This has forced the rail carriers to group all the producing territory west of seaboard territory, and to maintain a relative adjustment calculated to permit these territories to market their products in Texas in competition with the rates from the seaboard fixed for the rail carriers both in and outside the State by the Texas Commission and the steamship lines.

It necessarily follows that whenever the Texas Commission reduces a rate from Galveston the revenue of the State carrier on all Texas business originating at the Atlantic seaboard is lowered and the interstate carriers are compelled to make corresponding reductions from every other basing point. The immediate effect of a reduction of five cents in the Commission's First Class rate from Galveston to Waco is outlined in the accompanying chart:

(Here follows diagram marked p. 9478.)

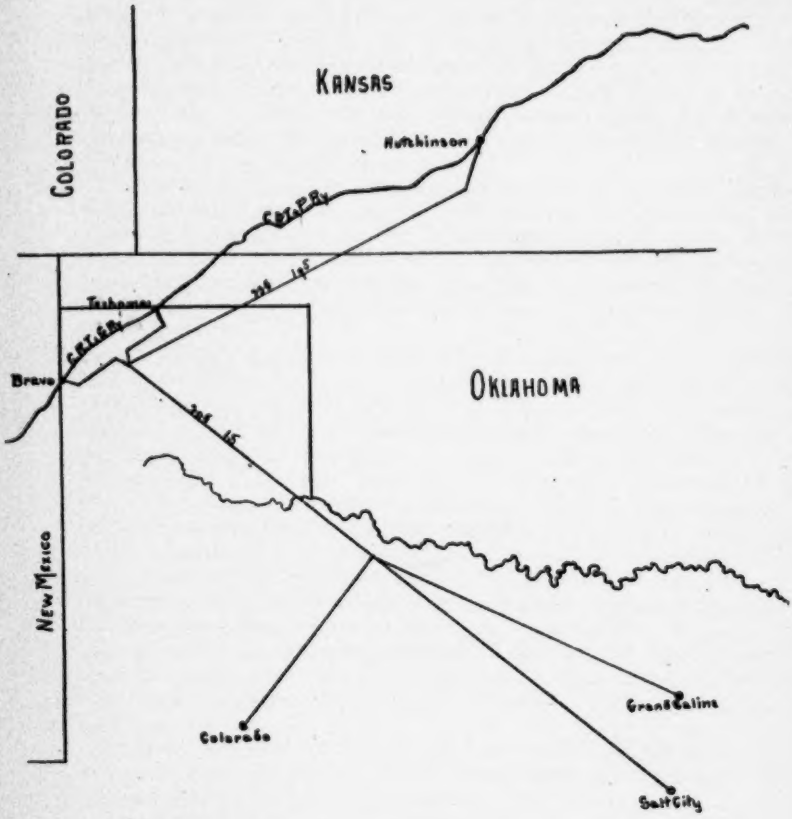
9479 Texas is above all a cotton-growing state. The wealth of its farming communities and the business of its cities is founded on the production and marketing of this staple. The revenues of the carriers within the state are largely dependent upon the movement of the cotton crop. Texas produces one-quarter of all the cotton grown within the United States. It has, however, no cotton-spinning industry worthy of the name. Probably ninety-nine per cent of the cotton grown in the state is sent to New England and Southeastern spinning points and to foreign countries. The revenues of the carriers on all this interstate and foreign cotton freight are absolutely dependent upon the rates fixed by the Railroad Commission of Texas to the port of Galveston.

Three years since, the Commission ordered a reduction in cotton rates of 5 cents per 100 pounds or $1 per ton. The movement from Texas to interstate and foreign destinations in the fiscal year ending June 30, 1906, was a million and a half tons. The direct result to interstate carriers from this one act of the Commission has been an annual shrinkage in their revenues of something like a million and a half of dollars.

A cardinal principle in the three principal classification territories is that valuable commodities such as dry goods, notions, boots and shoes, hats, etc., shall take First Class rates, whether the goods are shipped in carloads or in less than carload quantities. There is no voluntary variation from this in any interstate adjustment. The principle has frequently been reviewed without disapproval by the Interstate Commerce Commission. The Texas Commission,
9480 however, have taken the opposite view, and in their State classification have fixed Class "A" basis on these commodities when shipped in carload quantities. This action on their part has no force or effect so far as concerns State traffic. None of these commodities are manufactured within the State and no house in the State jobs them in carload quantities. The State Commission's action does, however, reduce the Interstate rate on these commodities from New York to interior Texas towns 37 cents per 100 pounds in carload lots.

That the Texas Commission exercises its rate-making powers with deliberate intent to control the interstate rates for the benefit of its industries appears from the following illustration.

The Rock Island has a line running southwest from the State of Kansas, passing diagonally across the Panhandle of Texas into New Mexico and on to El Paso. There are large salt industries on this line at Hutchinson, Kansas, and in the year 1905 the Rock Island, being asked to establish a reasonable rate from Hutchinson into its Panhandle towns, published an average rate of 19½ cents. The average distance is about 300 miles. There are salt plants of considerable importance at Grand Saline, Salt City and Colorado, Texas, and under the State Commission's orders, the Rock Island, in connection with other lines, had in effect an average rate of 20½ cents per 100 pounds from these State salt plants to the Panhandle



Average Mileage	
From Hutchinson	380
" Colorado	660
" Grand Saline	695
" Salt City	640

Illustration TEXAS COMMISSION'S emergency rate on SALT

towns. The average haul to these points is from Grand Saline,
9482 525 miles; from Colorado, 660; and Salt City, Texas, 690 miles. When the Rock Island's interstate rate came to the attention of the Texas Commission, it ordered the Rock Island's Texas line to non-concur in the reduction, threatening that if the interstate rate were allowed to stay in, they would compel the State carriers to haul salt from these State plants to the Panhandle points for 15 cents per 100 pounds. Needless to say, the interstate rate was withdrawn, and it remains to-day at the Texas maximum rate of 22½ cents. The map illustrates the situation.

(Here follows diagram marked p. 9481.)

ILLINOIS.

Recent reductions in class rates in Illinois have forced reductions of the interstate rates between St. Louis, Hannibal, Quincy, Keokuk, Davenport and Dubuque, and will eventually force similar reductions in rates between intermediate local points either wholly interstate or wholly within other States than Illinois.

ARKANSAS.

The Arkansas Commission has prescribed a full line of class and commodity rates which produce an effect on all the rates on merchandise brought into the State from points beyond, similar to the results of the Texas Commission's regulation of the rates in that State.

MINNESOTA.

The Minnesota Commission has fixed a scale of class rates within the State which recently required the leveling down of all rates from Minneapolis, St. Paul and Duluth to Iowa and Dakota points.
9483 It was with respect to this situation that Judge Lochren said in the case before him involving the validity of these rates:

"It would seem to be very difficult to avoid * * * the conclusion that these rates fixed in respect to Minnesota do necessarily and directly affect interstate commerce * * * I have no doubt that Congress might very properly, under the constitutional provision giving it the entire power of control over interstate commerce, assume control of the avenues of interstate commerce, of the railroads which are engaged in interstate commerce, and of all rates which are collected by those railroads, whether within the states or without the states, because the matter of those rates would affect these avenues of interstate commerce, and might affect their ability to continue as avenues of interstate commerce."

And as to this argument, urged before the Supreme Court in the Minnesota rate case, recently decided, the opinion of Mr. Justice Peckham says:—

"Still another Federal question is urged growing out of the assertion that the laws are, by their necessary effect, an interference with and a regulation of interstate commerce, the grounds for which assertion it is not now necessary to enlarge upon. The question is not, at any rate, frivolous."

9484 Ex. 5.

Comparative Statement of Wages—Train, Yard, & Engine Men.

(Average Rates per Day.)

	1900.	1903.	1904.	1905.	1906.	1907.	1908.	Per cent increase.
Through train service:								
Conductor 100 Miles.....	3.00	3.45	3.45	3.45	3.45	3.80	3.80	
1 Brakeman " "	2 00	2.30	2.30	2 30	2.30	2.53	2.53	
1 " " "	2.00	2.30	2.30	2.30	2.30	2.53	2.53	
Engineer " "	4.00	4.40	4.40	4.40	4.40	4.80	4.80	
Fireman " "	2.40	2.55	2.55	2.65	2.65	2.90	2.90	
Total.....	13.40	15.00	15.00	15.10	15.10	16.56	16 56	23.6
Way-freight service:								
Conductor 1 day.....	3.46	3.98	3.98	3.98	3 98	4.38	4.38	
1 Brakeman "	2.31	2.65	2.65	2.65	2.65	2.92	2.92	
1 " "	2.31	2.65	2.65	2 65	2.65	2 92	2.92	
1 " "	2.31	2.65	2.65	2.65	2.65	2.92	2.92	
Engineer 100 Miles.....	4.50	4 50	4.50	4.50	4.50	4.90	4.90	
Fireman " "	2.50	2 55	2.55	2.75	2.75	3.00	3.00	
Total.....	17.39	18.98	18.98	19.18	19.18	21.04	21.04	21.0
Passenger service:								
Conductor 1 day.....	4.17	4.67	4.67	4.67	4.67	5.00	5.00	
Brakeman " "	1.83	2.05	2.05	2.05	2.05	2.46	2.46	
Engineer 100 Miles.....	3.50	3.75	3.80	3.80	3.80	4.00	4.00	
Fireman " "	2.00	2.25	2.25	2.35	2.35	2.50	2.50	
Total.....	11.50	12.72	12.77	12.87	12.87	13.96	13 98	21.4
Yardmen:								
Foreman 1 Day.....	2.83	3.52	3.52	3 52	3.52	3.96	3.96	
1 Switchman "	2.50	3.19	3.19	3 19	3.19	3.63	3.63	
1 " "	2.50	3.19	3.19	3.19	3.19	3.63	3.63	
Engineer "	2.83	3.20	3.20	3.52	3.52	4.12	4.12	
Fireman "	1.90	2.10	2.10	2.31	2.31	2.47	2.47	
Total.....	12.56	15.20	15.20	15.73	15.73	17.81	17.81	41.8

Total Increase Per Year, $625,000.00 ..... 26.5

(100 Miles or less constitutes a day in freight train service.)

9485 Ex. 6.

St. Louis Southwestern Railway Company.

Statement Showing Performance of One Through Train Each Day Between Jonesboro, Ark., and Pine Bluff, Ark. (Nos. 15 and 16, 142 Miles Each), and One Local Train Each Day Between Fair Oaks, Ark., and Pine Bluff, Ark. (Nos. 59 and 60, 94 Miles Each), During Month of October, 1908.

Through Trains.

Tons one mile—commercial freight.	State.	Interstate.	Total.
Less carload.....	13,714—2%	484,019—98%	497,733— 9%
Carload.....	29,079—1%	4,756,773—99%	4,785,852— 91%
Total.....	42,793—1%	5,240,792—99%	5,283,585—100%

Local Trains.

Tons one mile—commercial freight.	State.	Interstate.	Total.
Less carload.....	44,025—46%	52,646—54%	96,671— 15%
Carload.....	232,546—43%	303,317—57%	535,863— 85%
Total.....	276,571—44%	365,963—56%	632,534—100%

	Through trains.	Local trains.
Number Trains run.....	62	54
Train Miles.....	8,804	5,076
Loaded Car Miles.....	332,353	55,160
Empty Car Miles.....	50,894	41,998
Ton Miles of Dead-weight (Inc. engine, caboose, all cars and Company freight).....	7,905,595	2,421,425
Average all cars per train mile.....	44	19
Average loaded cars per train mile.....	38	11
Average tons commercial freight per Train Mile.....	600	125
Avg. Tons Com'l Frt. per loaded car mi.—L. C. L.....	7	4
Avg. Tons Com'l Frt. per loaded car mi.—C. L.....	19	19
Avg. Ton Mi. dead-wt. to a ton Mi. Com'l Frt.—L. C. L.....	3.5	12.3
Avg. Ton Mi. dead-wt. to a ton Mi. Com'l Frt.—C. L.....	1.3	2.3
Avg. Ton Mi. dead-wt. to a ton Mi. Com'l Frt.—Total.....	1.5	3.8
Per Cent of dead-weight to gross wt. of train.	60%	79%
Wages of Enginemen.....	$675.16	$428.38
Wages of Trainmen.....	988.45	761.97
Overtime.....	71.40	333.95
Fuel for Locomotives.....	1,408.19	728.91
Total Train cost, items named.....	$3,143.20	$2,253.21
Average cost per train mile.....	$0.36	$0.44
Average cost per Com'l ton per mile.....	$0.00059	$0.00356

Summary of Train Cost, Through and Local Trains Consolidated.

	State.	Interstate.
Tons One Mile—Commercial Freight.....	319,364— 5%	5,596,755—95%
Train Cost—(Wages and Fuel)...	$1,022.84—19%	$4,373.57—81%
Avg. Cost per Com'l ton per mile.	$0.00320	$0.00078
Cost per State ton mile greater than Interstate.....	4.1 times greater.	

Filed Dec 30 1908. (Como)

W/n Douglas.
Exhibit 7

1908

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TWELFTH ANNUAL REPORT

OF THE

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

FISCAL YEAR ENDED JUNE 30, 1908.

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TWELFTH ANNUAL REPORT

OF THE

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

FISCAL YEAR ENDED JUNE 30, 1908.

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ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

DIRECTORS.

WM. K. BIXBY,	St. Louis.	ROBERT MATHER,	New York.
JAMES CAMPBELL,	St. Louis.	JAMES H. MOORE,	Chicago.
BENJAMIN P. CHENEY,	Boston.	WILLIAM H. MOORE,	New York.
A. J. DAVIDSON,	St. Louis.	H. CLAY PIERCE,	St. Louis.
F. L. HINE,	New York.	D. G. REID,	New York.
C. W. HILLARD,	New York.	NATHANIEL THAYER,	Boston.
B. F. YOAKUM,	New York.		

EXECUTIVE COMMITTEE.

B. F. YOAKUM, Chairman.

JAMES CAMPBELL.	WILLIAM H. MOORE.
F. L. HINE.	JAMES H. MOORE.
ROBERT MATHER.	D. G. REID.

OFFICERS.

D. G. REID,	*Chairman of the Board,*	New York.
B. F. YOAKUM,	*Chairman of the Executive Committee,*	New York.
A. J. DAVIDSON,	*President,*	St. Louis.
ROBERT MATHER,	*First Vice-President and General Counsel,*	New York.
C. R. GRAY,	*Second Vice-President,*	St. Louis.
W. B. BIDDLE,	*Third Vice-President,*	Chicago.
ALEXANDER DOUGLAS,	*Fourth Vice-President and General Auditor,*	St. Louis.
W. C. NIXON,	*Vice-President and General Manager,*	St. Louis.
E. L. POLLOCK,	*Vice-President and General Purchasing Agent,*	St. Louis.
C. W. HILLARD,	*Comptroller,*	New York.
FRANK H. HAMILTON,	*Secretary and Treasurer,*	St. Louis.
F. W. YOUNG,	*Assistant Secretary and Assistant Treasurer,*	St. Louis.
T. D. HEED,	*Assistant Secretary and Assistant Treasurer,*	New York.
W. F. EVANS,	*General Solicitor,*	St. Louis.
ROBERTS WALKER,	*Assistant to First Vice-Prest. and General Counsel,*	New York.
E. B. PEIRCE,	*Commerce Counsel,*	Chicago.
J. F. HINCKLEY,	*Chief Engineer,*	St. Louis.
J. A. MIDDLETON,	*Freight Traffic Manager,*	St. Louis.
E. K. VOORHEES,	*General Freight Agent,*	St. Louis
JOHN SEBASTIAN,	*Passenger Traffic Manager,*	Chicago.
ALEXANDER HILTON,	*General Passenger Agent,*	St. Louis.

ANNUAL MEETING OF STOCKHOLDERS.

Second Monday in November of each year.

Transfer Agent of Stock,
The New York Trust Company, New York.

Registrar of Stock,
The Mercantile Trust Company, New York.

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TWELFTH ANNUAL REPORT

OF THE

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

FISCAL YEAR ENDED JUNE 30, 1908.

To the Stockholders:

The Board of Directors herewith submit their report of the operations and affairs of the St. Louis and San Francisco Railroad Company's Lines (exclusive of the Chicago & Eastern Illinois Railroad), for the fiscal year ended June 30th, 1908.

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The results of operation for the fiscal year were as follows:

Operating revenue (decrease $2,447,849.25 or 0.4 per cent.)	$35,806,132.11	
Operating expenses (increase $236,350.08 or 1 per cent.)	25,092,924.94	
Net operating revenue (decrease $2,684,199.33 or 20 per cent.)		$10,713,207.17
Taxes (increase $51,456.49 or 5.7 per cent.)		948,414.62
		$ 9,764,792.55
Miscellaneous income (decrease $324,633.74 or 17.3 per cent.)		1,548,557.00
Total income		$11,313,349.55
Interest, rentals and other fixed charges		10,854,283.41
Net income after providing for all charges		$ 459,066.14
Dividends paid—four per cent. on first preferred stock		199,742.12
Balance of surplus carried to profit and loss		$ 259,324.02

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The comparative Income Account and Profit and Loss Account are given in detail on pages 4 and 15.

MILEAGE OPERATED.

The average mileage of main track operated during the year was 5064.16 miles, being an increase of 2.44 miles over that of the preceding year.

The total mileage in operation at June 30, 1908, was 5064.16 miles, and is the same as that at the end of the preceding year, the Colorado Southern, New Orleans & Pacific R. R. Co. still operating its lines for account of construction. The details of all mileage owned and operated are given in statements pages 75, 76 and 77.

CAPITAL STOCK.

At a special meeting of the stockholders held August 27th, 1907, authority was given to increase the authorized capital stock of the Company from $100,000,000 to $200,000,000, such increase to consist wholly of common stock and was for the purpose of conforming to the Missouri law which prescribes certain relations between capital stock and bonded debt.

There was no change during the year in the amount of stock issued and outstanding.

FUNDED DEBT.

The total funded debt at June 30, 1907, including that of leased and auxiliary lines was	$177,520,302.20
There was added during the fiscal year	12,370,415.54
Making total funded debt at June 30, 1908	$189,890,717.74

Reference is made to page 19, which shows in detail the new issues as well as bonds redeemed or exchanged; and to page 27 for the bonds remaining in the treasury as a current asset.

In August, 1907, the Company authorized the issue of general lien 15-20 year gold bonds bearing interest at not to exceed 5 per cent. per annum, to the aggregate amount of $115,000,000, which has since been reduced to $112,994,000 through the sale of $2,006,000 of refunding mortgage bonds under the provisions of Section 3, Article 3, of the general lien mortgage.

These bonds are issuable for the following purposes:

$ 10,000,000	for reimbursement to the Company of capital expenditures made during the fiscal year ended June 30, 1907, and for future expenditures for additions and improvements.
50,220,000	reserved to retire underlying bonds.
5,000,000	reserved for refunding purposes.
11,539,000	reserved to take up, at or before maturity, a like amount of equipment notes.
5,000,000	reserved to pay equipment trust obligations issued after June 1, 1907, to the extent of sixty per cent. thereof.
28,241,000	reserved for additions and improvements, to be made after June 1, 1909, and to be issued in amounts not to exceed $2,500,000 for any one fiscal year until June 30, 1911, and after that date to be issued in amounts not to exceed $3,000,000 in any one fiscal year.
5,000,000	reserved to be issued in amounts not exceeding in the aggregate $1,000,000 per annum after June 1, 1909, for construction, purchase or acquisition of additional lines of railroad or branches.
Total, $115,000,000	

The amount of these bonds issued at June 30, under provisions of the mortgage, was $17,509,043.81, all of which are still owned by the Company.

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The $2,055,300 of Kansas City, Fort Scott & Gulf Railroad Company First Mortgage 7 per cent. Bonds which matured June 1st, 1908, were by agreement dated May 1st, 1908, with the Trustee and the holders of the bonds, extended to June 1st, 1911, with interest at rate of 5 per cent. per annum. This arrangement effects a saving in interest of $41,106.00 per annum.

EQUIPMENT BONDS AND NOTES.

The amount of equipment bonds and notes outstanding at June 30, 1907, was	$ 12,450,489.79
The net addition during the fiscal year was	5,218,192.40
Making the total amount of equipment bonds and notes outstanding at June 30, 1908	$ 17,668,682.19

Statement on page 20 shows the amount of equipment notes issued during the year, as well as the amounts paid during the year.

GENERAL.

The Company's Comparative Condensed Balance Sheet is shown on pages 16 and 17 and on page 18 is given a summary of all financial changes for the fiscal year.

During the year, the Company took title by deed, to the following properties heretofore controlled by stock ownership:

St. Louis, Memphis & Southeastern R. R.
Blackwell, Enid & Southwestern Ry.
Ozark & Cherokee Central Ry.
Arkansas Valley & Western Ry.
Ft. Smith & Van Buren Bridge Co.
Oklahoma City & Western R. R.
Sulphur Springs Ry.

The number of passengers carried during the fiscal year increased 974,774 or 13.08 per cent. The passengers carried one mile increased 56,287,064 or 15.73 per cent. Notwithstanding these increases, however, there was a decrease in passenger revenue of $239,289.73 caused by the compulsory reduction of rates in many states.

The Memphis Railroad Terminal Company was incorporated March 5th, 1907, for the purpose of erecting a new passenger station with requisite buildings and tracks at Memphis, Tenn. This Company and nine other Railroad Companies entering Memphis have joined in the guarantee of the necessary funds ($1,200,000) to purchase property for the station. The capital stock of the Company is $100,000 of which each of the ten roads owns one-tenth or $10,000.

The expenditures for Additions and Betterments to the property and its equipment are shown in detail on pages 23 to 26; and the details of expenditures for renewals of roadway and structures charged to Operating Expenses are given in statement on page 32.

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The Industrial Department reports the location on the tracks of the Frisco Lines during the year of 266 industrial plants, employing 7,954 men and costing $5,590,000.

The reports of the current year's crops in the territory tributary to the Company's lines are favorable.

Statements showing the Condensed Balance Sheet, Income and Profit and Loss Accounts and Statistical data, each including the figures of the Chicago & Eastern Illinois Railroad Company, added to those of this Company, appear on pages 46 to 77.

The books and accounts of the Company at the close of the fiscal year were examined by Mr. Stephen Little, and a copy of his certificate appears below.

Due acknowledgement is made of the faithful and efficient services rendered by officers and employes during the year.

By order of the Board of Directors.

A. J. DAVIDSON,
President.

No. 100 Broadway, NEW YORK, August 27th, 1908.

A. J. DAVIDSON, ESQ.,
President St. Louis and San Francisco R. R. Co., St. Louis, Mo.

DEAR SIR:—In compliance with your request, I beg to advise you that I have, in the office of your 4th Vice-President and General Auditor, at St. Louis, examined and verified:

I.

The General Profit and Loss Account of your Company, together with those of its Leased and Auxiliary Lines, at June 30th, 1907, and June 30th, 1908, respectively.

II.

The Earnings and Operating Expenses and Income Account of your Company, together with those of its Leased and Auxiliary Lines, for the fiscal year ended June 30th, 1908.

III.

Its General Balance Sheet, which includes, in condensed form, the Balance Sheets of its Leased and Auxiliary Lines, at June 30th, 1908.

I, therefore, hereby certify that the elements constituting such Accounts and Balance Sheets are fully and fairly set forth, and reflect truthfully the transactions of the year under review, and the financial condition of the combined Lines at the end thereof.

My thanks are due to your Fourth Vice-President and General Auditor, who extended to me every courtesy and facility necessary to my examination.

Yours very truly,

(Signed) STEPHEN LITTLE.

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STATEMENTS AND STATISTICS

NOTE—In the following statements all revenues, operating expenses, other income, and train and engine mileage for the year ended June 30, 1908, are stated in accordance with the classifications required by the Interstate Commerce Commission, effective July 1, 1907. To furnish proper comparisons, the corresponding figures for the year ended June 30, 1907, are also re-stated, where necessary.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

INCOME ACCOUNT.

FISCAL YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

	1907-8.	1906-7.	Increase.		Decrease.	
			Amount.	Per Cent.	Amount.	Per Cent.
Average mileage operated	5,064.16	5,061.72	2.44			
Operating revenue						
Freight	$23,976,296.87	$26,534,639.66			$ 2,558,342.79	9.6
Passenger	8,927,036.90	9,166,326.63			239,289.73	2.6
Mail	979,927.21	885,662.71	$ 94,264.50	10.6		
Express	1,129,153.27	998,864.97	130,288.30	13.0		
Miscellaneous	557,149.04	475,557.20	81,591.84	17.2		
Total transportation revenue	$35,569,563.29	$38,061,051.17			$ 2,491,487.88	6.5
Revenue from operation other than transportation	236,568.82	192,930.19	43,638.63	22.6		
Total operating revenue	$35,806,132.11	$38,253,981.36			$ 2,447,849.25	6.4
Operating expenses—						
Maintenance of way and structures	$ 4,822,333.31	$ 5,584,888.56			$ 762,555.25	13.7
Maintenance of equipment	4,607,461.95	4,715,224.89			107,762.94	2.3
Traffic expenses	833,825.07	873,974.05			40,148.98	4.6
Transportation expenses	13,746,379.91	12,709,598.16	$ 1,036,781.75	8.2		
General expenses	1,082,924.70	972,889.20	110,035.50	11.3		
Total operating expenses	$25,092,924.94	$24,856,574.86	$ 236,350.08	1.0		
Net operating revenue	$10,713,207.17	$13,397,406.50			$ 2,684,199.33	20.0
Taxes	948,414.62	896,958.13	$ 51,456.49	5.7		
Operating income	$ 9,764,792.55	$12,500,448.37			$ 2,735,655.82	21.9
Miscellaneous income—						
Outside operations	$ *32,078.81*				$ 32,078.81	
Hire of equipment	*369,506.05*	$ *85,671.00*			283,835.05	331.3
Other income	1,950,141.86	1,958,861.74			8,719.88	.4
Total miscellaneous income	$ 1,548,557.00	$ 1,873,190.74			$ 324,633.74	17.3
Total income	$11,313,349.55	$14,373,639.11			$ 3,060,289.56	21.3
Interest	$ 6,118,752.18	$ 5,418,870.08	$ 699,882.10	12.9		
Rentals and sinking funds—						
Interest on guaranteed securities	2,564,203.43	2,549,320.63	14,882.80	.6		
Other rentals and sinking funds	536,445.80	611,983.11			$ 75,537.31	12.3
Dividends on trust certificates, The Kansas City, Ft. Scott & Memphis Railway	540,400.00	540,400.00				
Dividends on trust certificates, Chicago & Eastern Illinois Railroad	1,094,482.00	1,094,482.00				
Total charges	$10,854,283.41	$10,215,055.82	$ 639,227.59	6.3		
Available for dividends	$ 459,066.14	$ 4,158,583.29			$ 3,699,517.15	89.0
Dividends—						
Four per cent. on first preferred stock	$ 199,742.12	$ 199,742.12				
Surplus carried to credit of profit and loss	$ 259,324.02	$ 3,958,841.17			$ 3,699,517.15	93.4

Figures in italics denote debit.

NOTE—To preserve comparisons the revenue and operating expenses and other figures for year 1906-7 are re-stated hereon to conform with the classification of the Interstate Commerce Commission.

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

PROFIT AND LOSS ACCOUNT AND ADJUSTMENTS THEREIN,

JUNE 30th, 1907, TO JUNE 30th, 1908.

CREDIT.

Balance at credit, June 30th, 1907		$5,882,042.35
Balance of income year to June 30th, 1908	$ 259,324.02	
Miscellaneous liability accounts, written off	61,112.53	320,436.55
TOTAL CREDIT		$6,202,478.90

DEBIT.

Annual installment from franchises and property account, on account of difference between the cost of underlying bonds refunded and the proceeds of refunding bonds sold, and the commissions paid therefor	$250,000.00	
Discount on securities sold and exchanged, and expenditures in connection with listing, certifying and issuing new bonds (balance)	836,241.91	
Depreciation in the value of equipment destroyed and dismantled during current fiscal year	499,727.00	
State tax on increase in capital stock	50,000.00	
Miscellaneous accounts, written off	78,019.28	
TOTAL DEBIT		$1,713,988.19
Balance		4,488,490.71
		$6,202,478.90
By Balance at credit, June 30th, 1908		$4,488,490.71

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ST. LOUIS AND SAN FRANCISCO

CONDENSED GENERAL BALANCE SHEET, JUNE 30th, 1908,

ASSETS.	1908.	1907.	INCREASE.	DECREASE.
Capital Assets:				
Franchises and property	$173,103,510.34	$170,544,848.03	$ 2,558,662.31	
Stocks and bonds owned	203,845.69	203,845.69		
Total franchises and property	$173,307,356.03	$170,748,693.72	$ 2,558,662.31	
Leasehold estate (The Kansas City, Fort Scott and Memphis Railway)	52,312,051.01	51,729,525.06	582,525.95	
Leasehold estate (Kansas City, Memphis and Birmingham Railroad)	9,175,875.76	9,175,875.76		
Franchises and property, auxiliary companies	7,763,776.06	7,451,879.52	311,896.54	
Chicago and Eastern Illinois Railroad Company preferred stock (Cost of)	9,321,550.00	9,321,550.00		
Chicago and Eastern Illinois Railroad Company common stock (Cost of)	18,239,237.13	18,239,237.13		
Equipment under equipment trusts	16,943,628.79	11,731,234.01	5,212,394.78	
Securities under Collateral Trust Notes of 1908 (Cost of)		1,225,325.00		$ 1,225,325.00
Total	$287,063,474.78	$279,623,320.20	$ 7,440,154.58	
Current Assets:				
Cash in treasury	370,142.93	880,833.16		$ 510,690.23
Cash in hands of fiscal agents	2,291,838.06	2,373,751.91		81,913.85
Due from agents and conductors (Dr. $1,085,578.10, Cr. 47,656.51)	1,037,921.59	1,313,563.31		275,641.72
Due from railroad companies account traffic (Dr. $1,159,347.25, Cr. 1,103,732.11)	55,615.14	299,068.32		243,453.18
Due from companies and individuals (Dr. $3,194,423.69, Cr. 3,681.89)	3,190,741.80	2,385,149.01	805,592.79	
Due from United States P. O. Department	248,707.40	236,328.35	12,379.05	
Securities in treasury	21,545,685.73	8,858,016.63	12,687,669.10	
Supplies on hand	3,986,303.57	2,870,441.61	1,115,861.96	
Advances account construction (fundable)	3,597,824.64	864,853.65	2,732,970.99	
Total	$ 36,324,780.86	$ 20,082,005.95	$ 16,242,774.91	
Deferred Assets:				
Open carrying accounts in process of adjustment (Dr. $ 908,777.37, Cr. 381,334.04)	527,443.33	506,939.72	20,503.61	
Trustees sinking fund accounts	406,895.53	352,456.93	54,438.60	
Sinking funds	77,912.07	87,541.25		9,629.18
Total	$ 1,012,250.93	$ 946,937.90	$ 65,313.03	
Total Assets	$324,400,506.57	$300,652,264.05	$ 23,748,242.52	

NOTE—In stating the assets and liabilities of the companies covered by this balance sheet, the holdings of the St. Louis and San Francisco R. R. Co. in the bonds and capital stocks of leased and auxiliary lines are eliminated.

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RAILROAD LINES.

AND COMPARISON WITH PREVIOUS YEAR.

LIABILITIES.	1908.	1907.	INCREASE.	DECREASE.
Capital Liabilities:				
Capital Stock:				
First preferred	$ 5,000,000.00	$ 5,000,000.00		
Second preferred	16,000,000.00	16,000,000.00		
Common	29,000,000.00	29,000,000.00		
Total	$ 50,000,000.00	$ 50,000,000.00		
Funded debt	$134,624,997.74	$123,054,582.20	$ 11,570,415.54	
Outstanding securities on leasehold estate (The K. C. F. S. & M. Ry.):				
Stock—				
Preferred certificates	13,510,000.00	13,510,000.00		
Funded debt	39,095,300.00	38,295,300.00	800,000.00	
Equipment bonds and notes	2,429,100.00	2,885,202.00		456,102.00
Total	$ 55,034,400.00	$ 54,690,502.00	$ 343,898.00	
Outstanding securities on leasehold estate (K. C. M. & B. R. R.)				
Funded debt	9,247,420.00	9,247,420.00		
Funded debt, auxiliary companies	6,923,000.00	6,923,000.00		
Preferred stock trust certificates (C. & E. I. R. R.)	9,317,550.00	9,317,550.00		
Common stock trust certificates (C. & E. I. R. R.)	18,044,500.00	18,044,500.00		
Equipment bonds and notes outstanding	15,239,582.19	9,565,287.79	5,674,294.40	
Total	$298,431,449.93	$280,842,841.99	$ 17,588,607.94	
Current Liabilities:				
Audited vouchers and pay rolls	5,374,338.58	4,110,884.18	1,263,454.40	
Interest and dividends matured	2,510,660.70	2,695,243.10		184,582.40
Interest accrued (not due)	1,147,176.38	1,000,417.62	146,758.76	
Taxes accrued (not due)	165,488.89	240,978.81		75,489.92
Notes payable	11,987,035.90	5,577,250.00	6,409,785.90	
Total	$ 21,184,700.45	$ 13,624,773.71	$ 7,559,926.74	
Provisional Accounts:				
Sinking funds accrued	282,554.87	295,042.53		12,487.66
Equipment replacement fund	5,747.14		5,747.14	
Improvement fund (Kansas City and Memphis Railway and Bridge Company)	7,563.47	7,563.47		
Total	$ 295,865.48	$ 302,606.00		$ 6,740.52
Grand total liabilities	$319,912,015.86	$294,770,221.70	$ 25,141,794.16	
Profit and loss	4,488,490.71	5,882,042.35		$ 1,393,551.64
Total	$324,400,506.57	$300,652,264.05	$ 23,748,242.52	

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

SUMMARY OF FINANCIAL CHANGES,

YEAR ENDED JUNE 30th, 1908.

RESOURCES.				
Cash on hand June 30th, 1907				$ 3,254,585.07
Funded debt, increased			$ 11,570,415.54	
Outstanding securities on leasehold estate (The Kansas City, Ft. Scott & Memphis Railway), increased			343,898.00	
Equipment bonds and notes outstanding, increased			5,674,294.40	
Sinking funds, decreased			9,629.18	
Securities under collateral trust notes of 1908—cost of, decreased			1,225,325.00	
			$ 18,823,562.12	
Changes in current accounts, as follows:				
Increase in assets:				
Due from companies and individuals	$ 805,592.79			
Due from United States Post Office Department	12,379.05			
Securities in treasury	12,687,669.10			
Supplies on hand	1,115,861.96			
Advances, account construction	2,732,970.99			
Open carrying accounts in process of adjustment	20,503.61			
	$ 17,374,977.50			
Decrease in liabilities:				
Interest and dividends matured	184,582.40			
Taxes accrued (not due)	75,489.92			
	$ 260,072.32	$ 17,635,049.82		
Less:—				
Increase in liabilities:				
Audited vouchers and pay rolls	$ 1,263,454.40			
Interest accrued	146,758.76			
Equipment replacement fund	5,747.14			
Notes payable	6,409,785.90			
	$ 7,825,746.20			
Decrease in assets:				
Due from agents and conductors	275,641.72			
Due from railroad companies account traffic	243,453.18			
	$ 519,094.90	8,344,841.10	9,290,208.72	9,533,353.40
Total to be accounted for				$ 12,787,938.47
APPLIED AS FOLLOWS:				
Franchises and property, increased			$ 2,558,562.31	
Leasehold estate (The Kansas City, Fort Scott & Memphis Railway), increased			582,525.95	
Franchises and property, auxiliary companies, increased			311,896.54	
New equipment under equipment trusts, increased			5,212,394.78	
Trustees sinking fund accounts, increased			54,438.60	
Sinking funds accrued, decreased			12,487.66	
Net credit to profit and loss account, decreased			1,393,551.64	10,125,957.48
Balance, cash on hand June 30th, 1908				$ 2,661,980.99

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

EXPLANATIONS OF CHANGES IN FUNDED DEBT,

DURING FISCAL YEAR ENDED JUNE 30th, 1908.

Total funded debt at June 30th, 1907			$177,520,302.20
ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY.			
Additions—			
St. Louis and San Francisco Railroad Company refunding mortgage 4 per cent. bonds—			
Issued for:			
Additions, betterments and new equipment expenditures		$ 2,000,000.00	
St. Louis and San Francisco Railroad Company general lien mortgage 5 per cent. bonds—			
Issued for:			
Capital expenditures under provisions of the mortgage	$10,000,000.00		
Retirement of underlying securities	6,187,000.00		
Retirement of equipment bonds and notes	1,322,043.81	17,509,043.81	
St. Louis, Memphis & Southeastern Railroad Company five year 4½ per cent. bonds—			
Issued in exchange for $26,000.00 St. Louis, Memphis & Southeastern Railroad Company first mortgage 4 per cent. bonds		23,996.73	
St. Louis, Memphis & Southeastern Railroad Company first mortgage 4 per cent. bonds—			
Issued in exchange for $1,500.00 Southern Missouri & Arkansas Railroad Company first mortgage 5 per cent. bonds		1,875.00	
Total		$19,534,915.54	
Deductions—			
St. Louis and San Francisco Railroad Company two and one-half year 5 per cent. gold notes of 1906, redeemed	$ 6,187,000.00		
St. Louis & San Francisco Railroad Company one year collateral trust 6 per cent. gold notes of 1907, redeemed	1,750,000.00		
St. Louis, Memphis & Southeastern Railroad Company first mortgage 4 per cent. bonds, exchanged	26,000.00		
Southern Missouri & Arkansas Railroad Company first mortgage 5 per cent. bonds, redeemed	1,500.00		
Total		7,964,500.00	
Net increase			11,570,415.54
LEASEHOLD ESTATE (THE KANSAS CITY, FT. SCOTT & MEMPHIS RAILWAY).			
Additions—			
The Kansas City, Ft. Scott & Memphis Railway Company refunding mortgage 4 per cent. bonds—			
Issued for:			
Additions, betterments and new equipment expenditures	$ 600,000.00		
Redemption of underlying bonds and for refunding purposes	201,000.00	$ 801,000.00	
Kansas City, Ft. Scott & Gulf Railroad Company first mortgage 5 per cent. extension bonds exchanged for Kansas City, Ft. Scott & Gulf Railroad Company first mortgage 7 per cent. bonds		2,055,300.00	
Total		$ 2,856,300.00	
Deductions—			
Kansas City, Ft. Scott & Gulf Railroad Company first mortgage 7 per cent. bonds, exchanged	$ 2,055,300.00		
Kansas City, Ft. Scott & Gulf Railroad Company first mortgage 7 per cent. bonds, redeemed	1,000.00	2,056,300.00	
Net increase			800,000.00
Total funded debt at June 30th, 1908			$189,890,717.74

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

EXPLANATIONS OF CHANGES IN EQUIPMENT BONDS AND NOTES,

DURING FISCAL YEAR ENDED JUNE 30th, 1908.

Amount of equipment bonds and notes outstanding at June 30th, 1907			$12,450,489.79
Add—			
Issued during year:			
St. Louis and San Francisco Railroad Company Equipment Gold Notes, Series "I," dated November 1st, 1906.			
Total issue	$3,357,000.00		
Less amount issued at June 30th, 1907	2,650,000.00	$ 707,000.00	
St. Louis and San Francisco Railroad Company Equipment Gold Notes, Series "L," dated August 1st, 1907		5,074,000.00	
St. Louis and San Francisco Railroad Company Equipment Gold Notes, Series "M," dated November 15th, 1907. (Notes include interest amounting to $229,283.70)		1,057,452.00	
St. Louis and San Francisco Railroad Company Equipment Trust Certificates, Series "O," dated January 15th, 1908		669,000.00	
Total		$ 7,507,452.00	
Less—			
Paid during year:			
Series "A" notes	$ 131,000.00		
Series "B" notes	124,000.00		
Series "C" notes	100,000.00		
*Series "D and E" notes	146,260.92		
Series "F" bonds	232,000.00		
Series "G" notes	308,000.00		
Series "H" notes	75,000.00		
Series "I" notes	344,000.00		
*Series "J" notes	20,024.08		
Series "K" notes	38,000.00		
Series "L" notes	262,000.00		
*Series "M" notes	52,872.60		
The Kansas City, Ft. Scott & Memphis Ry. Co. Series "A" bonds	130,000.00		
The Kansas City, Ft. Scott & Memphis Ry. Co. Series "B" bonds	170,000.00		
Ozark Equipment Co. first mortgage 5 per cent. bonds	110,000.00		
Ft. Scott Equipment Co. first mortgage 6 per cent. bonds	33,000.00		
St. Charles Car Co. 5 per cent. notes	3,002.00		
Pittsburg Locomotive Works 5 per cent. notes	10,100.00	2,289,259.60	
Total net increase			5,218,192.40
Total equipment bonds and notes outstanding at June 30th, 1908			$17,668,682.19

*Including interest.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

STATEMENT SHOWING DETAILS OF INCREASE IN FRANCHISES AND PROPERTY OF THE ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY, LEASEHOLD ESTATE (THE KANSAS CITY, FT. SCOTT AND MEMPHIS RAILWAY), LEASEHOLD ESTATE (KANSAS CITY, MEMPHIS & BIRMINGHAM RAILROAD), AND OF THE AUXILIARY COMPANIES, DURING YEAR ENDED JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

To Balance at June 30th, 1907		$170,544,848.03
" Amount of expenditures for:		
Additions and betterments, St. L. & S. F. R. R. (Main Line)	$ 720,818.27	
do Northwestern Division	364.74	
do St. Louis, San Francisco & New Orleans R. R.	109,897.19	
do St. Louis, Memphis & Southeastern R. R.	127,547.10	
do Arkansas Valley & Western Railway	8,150.50	
	$ 966,777.80	
Less:		
Value of tracks taken up on Northwestern Division previously charged	410.85	
	$ 966,366.95	
" New equipment	1,782,738.57	2,749,105.52
" Construction, St. Louis, Memphis & Southeastern R. R.		26,503.57
" Expenditures, account development of and perfecting title to lands in New Mexico and Arizona		33,134.63
" Cost of 5¼ shares of the capital stock of the Hoxie, Pocahontas and Northern R. R. Co., to be held as a muniment of title		28.75
		$173,353,620.50
By Annual installment charged to profit and loss for the fiscal year ended June 30th, 1908, of difference between cost of underlying bonds refunded and proceeds of 4 per cent. refunding bonds sold therefor	$ 250,000.00	
" Amount received from Mississippi Valley Trust Company, account coupons on old Kansas Midland Railway first mortgage bonds	110.16	250,110.16
Total, St. Louis and San Francisco R. R. Co. as of June 30, 1908		$173,103,510.34

LEASEHOLD ESTATE (THE KANSAS CITY, FORT SCOTT AND MEMPHIS RAILWAY).

To Balance at June 30th, 1907		$ 51,729,525.06
" Amount of expenditures for:		
Additions and betterments, The Kansas City, Ft. Scott & Memphis Ry.	$ 179,437.17	
do Kansas City, Memphis & Birmingham R. R.	116,122.39	
New equipment, The Kansas City, Ft. Scott & Memphis Ry.	300,068.39	595,627.95
		$ 52,325,153.01
By Amount of equipment notes canceled during fiscal year, through operation of sinking fund, viz.:		
St. Charles Car Company, 5 per cent	$ 3,002.00	
Pittsburg Locomotive Works, 5 per cent.	10,100.00	13,102.00
Total leasehold estate (The K. C. F. S. & M. Ry.) as of June 30, 1908		$ 52,312,051.01

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

STATEMENT SHOWING DETAILS OF INCREASE IN FRANCHISES AND PROPERTY OF THE ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY, LEASEHOLD ESTATE (THE KANSAS CITY, FT. SCOTT AND MEMPHIS RAILWAY), LEASEHOLD ESTATE (KANSAS CITY, MEMPHIS AND BIRMINGHAM RAILROAD), AND OF THE AUXILIARY COMPANIES, DURING YEAR ENDED JUNE 30th, 1908.

LEASEHOLD ESTATE (KANSAS CITY, MEMPHIS AND BIRMINGHAM RAILROAD).	
To Balance at June 30th, 1907	$ 9,175,875.76
No change during current fiscal year.	
Total leasehold estate (K. C. M. & B. R. R.) as of June 30th, 1908	$ 9,175,875.76

AUXILIARY COMPANIES.	
To Balance at June 30th, 1907	$ 7,451,879.52
Fort Worth & Rio Grande Ry. Co.:	
To amount expended for additions and betterments	31,649.52
St. Louis, San Francisco & Texas Ry. Co.:	
To amount expended for additions and betterments	124,751.28
Paris & Great Northern R. R. Co.:	
To amount expended for additions and betterments	4,163 40
Birmingham Belt Railroad Co.:	
To amount expended for additions and betterments	151,332.34
Total Auxiliary Companies, as of June 30th, 1908	$ 7,763,776.06

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

STATEMENT OF EXPENDITURES FOR ADDITIONS, BETTERMENTS AND NEW EQUIPMENT ON THE ST. LOUIS AND SAN FRANCISCO RAILROAD, LEASEHOLD ESTATE (THE KANSAS CITY, FT. SCOTT AND MEMPHIS RAILWAY), AND AUXILIARY COMPANIES, DURING THE YEAR ENDED JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD.

Additions and Betterments—

Right of way, station grounds, and real estate	$ 12,695.08		
Widening cuts and fills	73,689.62		
Protection of banks	25,668.07		
Grade revisions and changes of line	9,691.56		
Bridges, trestles and culverts	62,133.53		
Increased weight of rail	40,605.72		
Ballast	175,701.49		
Sidings and spur tracks	187,987.25		
Terminal yards	144,130.81		
Fencing right of way	19,744.32		
Improvement of over and under grade crossings	10,287.98		
Track elevation, elimination of grade crossings, etc	25,377.16		
Interlocking apparatus	2,695.30		
Block and other signal apparatus	4,939.36		
Telegraph and telephone lines	6,430.65		
Station buildings and fixtures	112,573.68		
Shops, enginehouses and turntables	21,320.67		
Shop machinery and tools	400.50		
Water and fuel stations	13,100.79		
Miscellaneous structures	17,173.41		
Total additions and betterments			$ 966,366.95

Equipment—

26 Gondola cars	$ 24,139.71		
10 Hopper cars	11,983.21		
2 Weed burners	11,755.81		
1 Steam derrick	855.27		
1 Marion ballast plow	747.36		
1 Concentrator and spreader	2,649.21		
1 Air compressor	587.06		
1 Brown hoist locomotive crane	8,525.16		
1 New coach	7,112.16		
1 New stock car	286.49		
Equipping 75 coal cars with transom draft gear	6,022.50		
Air brake equipment and electric headlights for locomotives	24,561.49		
Café car equipment	7,083.30		
Equipping sleepers with axle light equipment	5,085.03		
Oil burners for 48 locomotives	10,927.88	$ 182,321.64	
Less—Sundry credits on various equipment purchased during fiscal year ended June 30th, 1907		380.47	
Carried forward		$ 121,941.17	$ 966,366.95

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

STATEMENT OF EXPENDITURES FOR ADDITIONS, BETTERMENTS AND NEW EQUIPMENT ON THE ST. LOUIS AND SAN FRANCISCO RAILROAD, LEASEHOLD ESTATE (THE KANSAS CITY, FT. SCOTT AND MEMPHIS RAILWAY), AND AUXILIARY COMPANIES, DURING THE YEAR ENDED JUNE 30th, 1908.

Amounts brought forward		$ 121,941.17	$ 966,366.95
Equipment—Continued.			
Equipment purchased under Equipment Trust, Series "L" as per agreement dated August 1st, 1907:			
3000 Box cars... 1000 Coal cars... 500 Stock cars.. Cost	$5,614,556.06		
Amount paid to June 30th, 1908		797,210.55	
Equipment purchased under Equipment Trust Series "M" as per agreement dated August 1st, 1907:			
25 Baggage cars... 6 Baggage and mail cars... 37 Coaches... 15 Chair cars... 4 Cafe-Observation cars... Cost	920,187.00		
Amount paid to June 30th, 1908		122,928.17	
Equipment purchased under Equipment Trust Series "O" as per agreement dated January 11th, 1908:			
25 Consolidated locomotives. 10 Ten-wheel passenger locomotives 10 Six-wheel switching locomotives.. Cost	743,690.00		
Amount paid to June 30th, 1908		70,831.58	
Additional sundry charges to equipment purchased under the following Trust Agreements:			
Series "F"	73.28		
Series "G"	2,969.92		
Series "I"	76,367.92		
Series "J"	338.45		
Series "K"	804.50	80,554.07	
Equipment bonds and notes of dates prior to July 1st, 1907, paid during year:			
Series "A" notes	$ 131,000.00		
Series "B" notes	124,000.00		
Series "C" notes	100,000.00		
Series "D and E" notes (excluding the interest contained in the notes)	109,391.16		
Series "F" bonds	232,000.00		
Series "G" notes	308,000.00		
Series "H" notes	75,000.00		
Series "I" notes	344,000.00		
Series "J" notes (excluding the interest contained in the notes)	10,012.91		
Series "K" notes	38,000.00	2,471,404.07	
		$2,664,869.61	
Less—			
Book value of equipment sold or destroyed and not rebuilt during the fiscal year ended June 30, 1908, and depreciation		882,131.04	1,782,738.57
Total St. L. & S. F. R. R. additions, betterments and equipment			$ 2,749,105.52

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

STATEMENT OF EXPENDITURES FOR ADDITIONS, BETTERMENTS AND NEW EQUIPMENT ON THE ST. LOUIS AND SAN FRANCISCO RAILROAD, LEASEHOLD ESTATE (THE KANSAS CITY, FT. SCOTT AND MEMPHIS RAILWAY), AND AUXILIARY COMPANIES, DURING THE YEAR ENDED JUNE 30th, 1908.

LEASEHOLD ESTATE (THE K. C. F. S. & M. RY.)

Additions and Betterments—

Right of way, station grounds and real estate	$ 13,961.27	
Widening cuts and protection of banks	548.55	
Bridges, trestles and culverts	2,195.23	
Increased weight of rail	9,762.08	
Ballast	15,778.86	
Sidings and spur tracks	41,453.37	
Terminal yards	22,479.26	
Fencing right of way	3,205.24	
Block and other signal apparatus	193.67	
Telegraph and telephone lines	382.75	
Station buildings and fixtures	20,311.84	
Shops, enginehouses and turntables	41,184.44	
Shop machinery and tools	2,908.90	
Water and fuel stations	958.20	
Grain elevators and storage warehouses	229.42	
Miscellaneous structures	3,884.09	$ 179,437.17

Equipment—

Equipment trust bonds paid during year:		
Series "A"		130,000.00
Series "B"	$ 170,000.00	
Additional sundry charges	68.39	170,068.39
The K. C. F. S. & M. Ry. additions, betterments and equipment		$ 479,505.56

KANSAS CITY, MEMPHIS & BIRMINGHAM R. R.

Additions and Betterments—

Right of way and station grounds	$ 2,812.76	
Widening cuts and fills	19,488.75	
Grade revisions and changes of line	871.67	
Bridges, trestles and culverts	5,433.11	
Increased weight of rail	9,535.78	
Ballast	16,563.54	
Sidings and spur tracks	44,034.89	
Terminal yards	1,677.28	
Fencing right of way	109.94	
Block and other signal apparatus	2,671.65	
Telegraph and telephone lines	996.58	
Station buildings and fixtures	1,990.08	
Shops, enginehouses and turntables	6,950.04	
Shop machinery and tools	30.00	
Water and fuel stations	2,131.67	
Miscellaneous structures	824.65	$ 116,122.39
K. C. M. & B. R. R. additions and betterments		116,122.39
Total Leasehold Estate, additions, betterments and equipment		$ 595,627.95

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

STATEMENT OF EXPENDITURES FOR ADDITIONS, BETTERMENTS AND NEW EQUIPMENT ON THE ST. LOUIS AND SAN FRANCISCO RAILROAD, LEASEHOLD ESTATE (THE KANSAS CITY FORT SCOTT AND MEMPHIS RAILWAY), AND AUXILIARY COMPANIES, DURING THE YEAR ENDED JUNE 30th, 1908.

AUXILIARY COMPANIES.

FT. WORTH & RIO GRANDE RAILWAY.

Additions and Betterments—

Real estate	$ 381.50	
Widening cuts and fills	3,905.21	
Bridges, trestles and culverts	1,793.24	
Ballast	18,292.75	
Sidings and spur tracks	5,237.72	
Terminal yards	511.49	
Station buildings and fixtures	1,527.61	$ 31,649.52

ST. LOUIS, SAN FRANCISCO & TEXAS RAILWAY.

Additions and Betterments—

Right of way and station grounds	$ 942.46	
Widening cuts and fills	111.65	
Increased weight of rail	1,598.90	
Ballast	25,001.26	
Sidings and spur tracks	14,560.71	
Terminal yards	10,429.44	
Track elevation, elimination of grade crossings, etc.	71.26	
Station buildings and fixtures	2,030.59	
Shops, enginehouses and turntables	47,933.37	
Shop machinery and tools	12,953.54	
Water and fuel stations	8,718.13	
Miscellaneous structures	399.97	124,751.28

PARIS & GREAT NORTHERN RAILROAD.

Additions and Betterments—

Bridges, trestles and culverts	$ 1,122.19	
Increased weight of rail	783.26	
Ballast	2,178.75	
Sidings and spur tracks	59.20	
Shops, enginehouses and turntables	20.00	4,163.40

BIRMINGHAM BELT RAILROAD.

Additions and Betterments—

Right of way and station grounds	$ 8,319.60	
Increased weight of rail	887.78	
Sidings and spur tracks	2,459.81	
Terminal yards	118,804.64	
Station buildings and fixtures	20,331.79	
Water and fuel stations	528.72	151,332.34
Total Auxiliary Companies additions and betterments		$ 311,896.54

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

STATEMENT OF SECURITIES OWNED, EXCLUSIVE OF SECURITIES DEPOSITED WITH TRUSTEES OF MORTGAGES, AS SHOWN ON PAGES 28 AND 29.

AS OF JUNE 30th, 1908.

(IN PROPERTY ACCOUNT.)

STOCKS.	FACE VALUE.	BOOK VALUE.
Arkansas Coal & Mining Co.	$ 11,250.00	
The Crescent Hotel Co., Eureka Springs, Ark.	15,198.00	
The Kansas Southwestern Ry. Co.	181,000.00	
St. Louis & San Francisco R. R. Co.—		
First preferred stock	6,535.10	
Second preferred stock	53.00	
Common stock	149.60	
St. Louis & North Arkansas R. R. Co.	20,000.00	
The Ft. Smith & Van Buren Bridge Co.	175.00	
Ft. Smith & Southern Ry. Co.	1,100.00	
Fayetteville & Little Rock R. R. Co.	4,500.00	
The Joplin Railway Company	900.00	
Little Rock & Texas Ry. Co.	3,500.00	
Oklahoma City Terminal R. R. Co.	100,000.00	
Paris & Great Northern R. R. Co.	4,500.00	
Peirce City Real Estate Co.	54,800.00	
Pittsburg & Columbus Ry. Co.	2,500.00	
St. Louis, Wichita & Western Ry. Co.	500.00	
St. Louis, Arkansas & Texas Ry. Co.	1,100.00	
Springfield & Northern Ry. Co.	1,500.00	
Springfield & Southern Ry. Co.	900.00	
Springfield Connecting Ry. Co.	3,500.00	
St. Louis & Oklahoma City R. R. Co.	900.00	
New Orleans Terminal Ry. Co.	1,500.00	
Ozark & Cherokee Central Ry. Co	700.00	
Winchell Townsite Co.	2,000.00	
Arkansas & Northern R. R. Co.	5,500.00	
Frisco, Oklahoma City & Texas Ry. Co.	40,000.00	
Memphis & New Orleans Ry. Co.	357,500.00	
Alexandria, Bayou Macon & Greenville Ry. Co.	206,600.00	
Total securities in property account	$1,028,360.70	$203,845.69

(IN CURRENT ASSETS.)

STOCKS.		
Mobile, Jackson & Kansas City R. R. Co.	$ 280,000.00	
Gulf & Chicago Ry. Co	280,000.00	
Colonial Hotel Company	5,000.00	
Jasper Land Company	8,666.67	
Hotel Realty Company	5,000.00	
Kirby Lumber Company	1,942,500.00	
Kansas City Belt Ry. Co.	120,000.00	
Star Publishing Co. (Ft. Worth)	200.00	
Birmingham Terminal Co	25,000.00	
Bessie Town Company	5,000.00	
Cape Girardeau Terminal Ry. Co.	4,000.00	
Frisco Construction Company	5,000.00	
Kansas City Terminal Ry. Co.	50,000.00	
Memphis Railroad Terminal Co.	10,000.00	
Total stocks	$2,740,366.67	
BONDS AND NOTES.		
St. L. M. & S. E. R. R. Co. 1st. Mtg. 4% Scrip	625.00	
St. L. & S. F. R. R. Co. Consolidated Mtg. 4 Per Cent. Scrip	159.00	
St. L. M. & S. E. R. R. Co. 5-Year 4½ Per Cent. Gold Bonds	73,341.72	
St. L. & S. F. R. R. Co. 2½-Year 5 Per Cent. Gold Notes	313,000.00	
St. L. & S. F. R. R. Co. 5-Year, 4½% Gold Notes (St. L. S. F. & N. O. R. R.)	113,068.02	
Rock Island-Frisco Terminal Ry. Co. 1st. Mtg. 5% Bonds	183,022.45	
K. C. F. S. & M. Ry. Co. Refunding Mtg. 4% Gold Bonds	1,673,000.00	
St. L. & S. F. R. R. Co. General Lien 15-20-Year Gold Bonds	17,509,043.81	
Total bonds and notes	$19,865,860.00	
Total securities in current assets	$22,606,226.67	$21,545,685.73
Total securities owned	$23,634,587.37	$21,749,531.42

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STATEMENT OF STOCKS, BONDS AND NOTES PLEDGED AS SECURITY FOR FUNDED DEBT, AS OF JUNE 30th, 1908.

NAME.	Deposited with The Mercantile Trust Co., of N. Y., Trustee under Consolidated 4% Mortgage.	Deposited with U. S. Trust Co. of N. Y., Trustee under Trust 6% Mortgage of 1880.	Deposited with Union Trust Co. of N. Y., Trustee under Trust 5% Mortgage of 1887.	Deposited with Morton Trust Co. of N. Y., Trustee under Refunding 4% Mortgage.	Deposited with The Mercantile Trust Co., of N. Y., Trustee under The K. C., F. S. & M. Ry. Co. Refunding 4% Mortgage.	Deposited with Old Colony Trust Co. of Boston, Trustee under the Birmingham Belt R. R. Co. 1st 4% Mortgage.	Deposited with The New York Trust Co. of N. Y., Trustee under New Orleans Ext. Purchase Money Collateral Trust Agreement.	Deposited with Bankers Trust Co., of N. Y., Trustee under 24-year 5% Gold Notes Trust Agreement.	Deposited with The Trust Co. of America, New York, Trustee under 5-year 4½% Gold Notes Trust Agreement.	Deposited with The New York Trust Co. of N. Y., Trustee under St. L., M. & S. E. R. R. Co. 5-year 4½% Gold Bonds Trust Agreement.	Deposited with Bankers Trust Co. of N. Y., Trustee under 7-year 4½% Gold Notes Trust Agreement.	Deposited with Old Colony Trust Co., of Boston, Trustee under St. L., M. & S. E. R. R. Co. First Mortgage.	Deposited with The New York Trust Co., of N. Y., under 5-year 5% Notes of 1906 Trust Agreement.	Deposited with Bankers Trust Co. of N. Y., Trustee under St. L. & S. F. R. R. Co. General Lien Mortgage.
STOCKS—														
Fort Smith & Van Buren Bridge Co	$ 499,825													
Fort Smith & Southern Ry. Co	166,400													
Joplin Ry. Co	715,100													
Springfield & Northern Ry. Co	998,500													
Springfield & Southern Ry. Co	599,100													
St. Louis, Arkansas & Texas Ry. Co	3,498,900													
St. Louis, Wichita & Western Ry. Co	958,500													
St. Louis & Oklahoma City R. R. Co	2,099,100													
Fayetteville & Little Rock R. R. Co			$ 325,500											
Little Rock & Texas Ry. Co			536,500											
Paris & Great Northern R. R. Co			495,500											
Pittsburg & Columbus Ry. Co			177,500											
Springfield Connecting Ry. Co			196,500											
The Kansas City, Fort Scott & Memphis Ry. Co	15,000,000													
Fort Worth & Rio Grande Ry. Co				$ 2,842,000										
Blackwell, Enid & Southwestern Ry. Co				500,000										
Oklahoma City & Western R. R. Co				5,000,000										
Red River, Texas & Southern Ry. Co				400,000										
Kansas City, Memphis & Birmingham R. R. Co					$ 5,976,000									
Kansas City & Memphis Ry. & Bridge Co					3,000,000									
Kansas City Belt Ry. Co					45,000									
Kansas City Union Depot Co					45,000									
Birmingham Belt R. R. Co						$ 50,000								
St. Louis, Memphis & Southeastern R. R. Co								$ 12,500,000						
Sulphur Springs Ry. Co				200,000										
St. Louis & Gulf Ry. Co								6,000,000						
St. Louis, San Francisco & New Orleans R. R. Co. Common Stock							$ 6,021,000							
St. Louis, San Francisco & New Orleans R. R. Co. Preferred Stock									$1,000,000					
Tyronza Central R. R. Co					228,000									
Bonnerville & Southwestern R. R. Co					651,600									
St. Louis, San Francisco & Texas Ry. Co				803,300										
Arkansas Valley & Western Ry. Co														
Colorado Southern, New Orleans & Pacific R. R. Co											$ 4,500,000			
St. Louis, Oklahoma & Southern Ry. Co				5,499,500									$ 1,994,000	
Metropolitan Rapid Transit, Light & Power Co						18,200								
Ozark & Cherokee Central Ry. Co														
Terminal Railroad Association of St. Louis														$ 2,879,300
New Orleans Terminal Co														205,800
Total Stocks	$24,535,425		$ 1,731,500	$ 15,244,800	$ 9,945,000	$ 68,200	$ 6,021,000	$ 18,500,000	$1,000,000		$ 4,500,000		$ 1,994,000	998,500
BONDS AND NOTES—														$ 4,083,600
St. Louis & San Francisco Ry. Co.—														
Land Debenture 5s	$ 1,215,000													
St. Louis, Wichita & Western Ry. Co.—														
Income 5s	750,000													
St. Louis, Arkansas & Texas Ry. Co. of Mo.—														
1st. Mortgage 7s	200,000	$ 300,000												
St. Louis, Arkansas & Texas Ry. Co. of Ark.—														
1st. Mortgage 7s	248,000	352,000												
Joplin Ry. Co.—														
1st. Mortgage 7s	27,000	273,000												
Fayetteville & Little Rock R. R. Co.—														
1st. Mortgage 5s			$ 154,000											
Little Rock & Texas Ry. Co.—														
1st. Mortgage 5s			367,000											
Pittsburg & Columbus Ry. Co —														
1st. Mortgage 5s			176,000											

ST. LOUIS AND SAN FRANCISCO

Bonds and Notes—Continued.														
Paris & Great Northern R. R. Co.—														
1st. Mortgage 5s			$39,000											
Springfield Connecting Ry. Co.—														
1st. Mortgage 5s			64,000											
St. Louis & San Francisco Ry. Co.—														
Mo. & Western Division, 1st. Mortgage 6s				$ 866,000										
Trust Mortgage of 1880, 6s				731,000										
Trust Mortgage of 1887, 5s				660,000										
General Mortgage 5s				6,488,000										
General Mortgage 6s				4,126,000										
St. Louis, Wichita & Western Ry. Co.—														
1st. Mortgage 6s				1,606,000										
Fort Smith & Van Buren Bridge Co.—														
1st. Mortgage 6s				127,000										
St. Louis & San Francisco R. R. Co.—														
Southwestern Division, 1st. Mortgage 5s				671,000										
Central Division, 1st. Mortgage 4s				1,817,000										
Kansas City Division 1st Mortgage 3s a[illegible] 4s				3,300,000										
Northwestern Division, 1st. Mortgage 4s				1,253,000										
St. Louis, San Francisco & Texas Ry. Co.—														
1st. Mortgage 4s				200,000										
Blackwell, Enid & Southwestern Ry. Co.—														
1st. Mortgage 4s				4,800,000										
Oklahoma City & Western R. R. Co.—														
1st. Mortgage 4s				4,023,000										
Fort Worth & Rio Grande Ry. Co.—														
1st. Mortgage 4s				994,000										
Red River, Texas & Southern Ry. Co.—														
1st. Mortgage 4s				815,000										
Kansas City, Memphis & Birmingham R. R. Co—														
Income 5s					$ 399,500									
Sulphur Springs Ry. Co.—														
1st. Mortgage 4s				274,000										
St. Louis, San Francisco & New Orleans R. R. Co—														
1st. Mortgage 4s								$ 6,487,000						
New Orleans Extension Purchase Money—														
Collateral 4% Gold Bonds										$6,487,000				
Blackwell, Enid & Texas Ry. Co.—														
1st. Mortgage 4s				173,000										
St. Louis & Gulf Ry. Co.—														
1st. Mortgage 4s											$ 5,853,000			
St. Louis, Memphis & Southeastern R. R. Co.—														
1st. Mortgage 4s											8,817,000			
Notes 5s									$ 1,606,730.11					
Arkansas Valley & Western Ry. Co.—														
1st. Mortgage 4s												$ 4,500,000		
Southern Missouri & Arkansas R. R. Co.—														
1st. Mortgage 5s													$ 1,970,500	
Colorado Southern, New Orleans & Pacific R. R. Co.—														
1st. Mortgage 4s														$ 8,500,000
St. Louis & San Francisco R. R. Co.—														
Two and one-half Year 5% Gold Notes														
Blair & Co.—														
Trust Equipment 4% Notes, Series "A"														
Winthrop & Co.—														
Trust Equipment 4% Notes, Series "B"														
Trust Equipment 4% Notes, Series "C"														
American Car & Foundry Co.—														
Trust Equipment 5% Notes, Series "D"														
Trust Equipment 5% Notes, Series "E"														
Blair & Co.—														
Trust Equipment 5% Bonds, Series "F"														
Trust Equipment 4½% Notes, Series "G"														
Trust Equipment 5% Notes, Series "H"														
First Trust and Savings Bank, Chicago, Ill., and St. Louis Union Trust Co.—														
Trust Equipment 5% Notes, Series "I"														
The Pullman Co.—														
Trust Equipment 5% Notes, Series "J"														
St. Louis Union Trust Co.—														
Trust Equipment 5% Notes, Series "K"														
C. S. N. O. & P. R. R. Co.—														
Trust Equipment 5% Notes, Series "A"														
Total Bonds and Notes	$ 2,440,000	$925,000	$ 1,100,000	$ 33,614,000	$ 399,500			$ 6,487,000	$ 1,606,730.11	$6,487,000	$ 14,669,000	$ 4,500,000	$ 1,970,500	$ 8,500,000
Total Stocks, Bonds and Notes	$26,975,425	$925,000	$ 2,831,800	$ 47,858,800	$ 10,345,100	$ 68,200	$ 12,506,000	$20,106,730.11	$7,547,000	$ 14,669,000	$ 9,000,000	$ 1,970,500	$ 10,494,000	

Bonds and Notes—Continued.														
Paris & Great Northern R. R. Co.—														
1st. Mortgage 5s														
Springfield Connecting Ry. Co.—														
1st. Mortgage 5s														
St. Louis & San Francisco Ry. Co.—														
Mo. & Western Division, 1st. Mortgage 6s														
Trust Mortgage of 1880, 6s														
Trust Mortgage of 1887, 5s														
General Mortgage 5s														
General Mortgage 6s														
St. Louis, Wichita & Western Ry. Co.—														
1st. Mortgage 6s														
Fort Smith & Van Buren Bridge Co.—														
1st. Mortgage 6s														
St. Louis & San Francisco R. R. Co.—														
Southwestern Division, 1st. Mortgage 5s														
Central Division, 1st. Mortgage 4s														
Kansas City Division 1st Mortgage 3s a[illegible] 4s														
Northwestern Division, 1st. Mortgage 4s														
St. Louis, San Francisco & Texas Ry. Co.—														
1st. Mortgage 4s														
Blackwell, Enid & Southwestern Ry. Co.—														
1st. Mortgage 4s														
Oklahoma City & Western R. R. Co.—														
1st. Mortgage 4s														
Fort Worth & Rio Grande Ry. Co.—														
1st. Mortgage 4s														
Red River, Texas & Southern Ry. Co.—														
1st. Mortgage 4s														
Kansas City, Memphis & Birmingham R. R. Co—														
Income 5s														
Sulphur Springs Ry. Co.—														
1st. Mortgage 4s														
St. Louis, San Francisco & New Orleans R. R. Co—														
1st. Mortgage 4s														
New Orleans Extension Purchase Money—														
Collateral 4% Gold Bonds														
Blackwell, Enid & Texas Ry. Co.—														
1st. Mortgage 4s														
St. Louis & Gulf Ry. Co.—														
1st. Mortgage 4s														
St. Louis, Memphis & Southeastern R. R. Co.—														
1st. Mortgage 4s														
Notes 5s														
Arkansas Valley & Western Ry. Co.—														
1st. Mortgage 4s														
Southern Missouri & Arkansas R. R. Co.—														
1st. Mortgage 5s														
Colorado Southern, New Orleans & Pacific R. R. Co.—														
1st. Mortgage 4s														
St. Louis & San Francisco R. R. Co.—														$ 6,187,000.00
Two and one-half Year 5% Gold Notes														
Blair & Co.—														66,000.00
Trust Equipment 4% Notes, Series "A"														
Winthrop & Co.—														60,000.00
Trust Equipment 4% Notes, Series "B"														100,000.00
Trust Equipment 4% Notes, Series "C"														
American Car & Foundry Co.—														54,041.13
Trust Equipment 5% Notes, Series "D"														61,538.40
Trust Equipment 5% Notes, Series "E"														
Blair & Co.—														146,000.00
Trust Equipment 5% Bonds, Series "F"														208,000.00
Trust Equipment 4½% Notes, Series "G"														75,000.00
Trust Equipment 5% Notes, Series "H"														
First Trust and Savings Bank, Chicago, Ill., and St. Louis Union Trust Co.—														172,000.00
Trust Equipment 5% Notes, Series "I"														
The Pullman Co.—														20,024.08
Trust Equipment 5% Notes, Series "J"														
St. Louis Union Trust Co.—														38,000.00
Trust Equipment 5% Notes, Series "K"														
C. S. N. O. & P. R. R. Co.—														160,000.00
Trust Equipment 5% Notes, Series "A"														
Total Bonds and Notes														$ 7,447,903.61
Total Stocks, Bonds and Notes														$11,531,503.61

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

OPERATING EXPENSES.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

	1907–8.	1906–7.	Increase.		Decrease.	
			Amount.	Per Cent.	Amount.	Per Cent.
Maintenance of way and structures:						
Superintendence	$ 331,383.14	$ 289,419.49	$ 41,963.65	14.50		
Ballast	24,498.68	55,459.37			$ 30,960.69	55.82
Ties	805,979.85	617,885.53	188,094.32	30.44		
Rails	77,406.86	200,313.71			122,906.85	61.36
Other track material	215,591.54	263,657.54			48,066.00	18.23
Roadway and track	2,038,696.11	2,538,036.58			499,340.47	19.67
Removal of snow, sand and ice	4,593.43	12,430.24			7,836.81	63.05
Tunnels	.95	96.21			95.26	99.01
Bridges, trestles and culverts	656,337.00	724,727.41			68,390.41	9.44
Over and under grade crossings	4,997.34	2,668.62	2,328.72	87.26		
Grade crossings, fences, cattle guards and signs	83,694.84	84,380.39			685.55	.81
Snow and sand fences and snow sheds		18.30			18.30	
Signals and interlocking plants	22,555.75	32,476.86			9,921.11	30.55
Telegraph and telephone lines	51,704.51	78,524.56			26,820.05	34.15
Buildings, fixtures and grounds	304,698.11	439,580.73			134,882.62	30.68
Roadway tools and supplies	53,994.19	95,495.46			41,501.27	43.46
Work equipment—repairs, renewals and depreciation	110,215.64	91,576.43	18,639.21	20.35		
Injuries to persons	22,497.38	15,422.80	7,074.58	45.87		
Stationery and printing	18,630.88	18,715.64			84.76	.45
Insurance	40,701.40	53,564.85			12,863.45	24.01
Other expenses	3,669.64	16,828.21			13,158.57	78.19
Maintaining joint tracks, yards and other facilities—Dr.	63,419.01	54,285.60	9,133.41	16.82		
Maintaining joint tracks, yards and other facilities—Cr.	*112,932.94*	*100,675.97*			12,256.97	12.17
Total	$ 4,822,333.31	$ 5,584,888.56			$ 762,555.25	13.65
Maintenance of equipment:						
Superintendence	$ 166,052.42	$ 176,055.99			$ 10,003.57	5.68
Steam locomotives– repairs, renewals and depreciation	2,023,979.92	2,194,924.04			170,944.12	7.79
Passenger train cars–repairs, renewals and depreciation	381,351.28	375,371.67	$ 5,979.61	1.59		
Freight train cars– repairs, renewals and depreciation	1,734,161.91	1,710,198.63	23,963.28	1.40		
Shop machinery and tools	104,499.42	163,294.57			58,795.15	36.01
Injuries to persons	24,199.34	22,629.68	1,569.66	6.94		
Stationery and printing	13,807.82	14,677.00			869.18	5.92
Insurance	72,931.15	44,687.61	28,243.54	63.20		
Other expenses	230.53	674.77			444.24	65.84
Maintaining joint equipment at terminals—Dr.	4,371.63	2,182.55	2,189.08	100.30		
Equipment borrowed—Dr.	758,703.63	675,421.03	83,282.60	12.33		
Maintaining joint equipment at terminals—Cr.	*3,762.66*	*16,371.82*	12,609.16	77.02		
Equipment loaned—Cr.	*673,064.44*	*648,520.83*			24,543.61	3.78
Total	$ 4,607,461.95	$ 4,715,224.89			$ 107,762.94	2.29
Traffic expenses:						
Superintendence	$ 218,744.16	$ 200,384.29	$ 18,359.87	9.16		
Outside agencies	306,747.92	309,263.31			$ 2,515.39	.81
Advertising	132,565.73	162,468.72			29,902.99	18.41
Traffic associations	27,093.03	21,809.41	5,283.62	24.23		
Fast freight lines	105.34		105.34			
Industrial and immigration bureau	26,217.35	16,344.55	9,872.80	60.40		
Stationery and printing	122,021.70	163,703.77			41,682.07	25.46
Insurance	146.09		146.09			
Other expenses	183.75		183.75			
Total	$ 833,825.07	$ 873,974.05			$ 40,148.98	4.59

Figures in italics denote credit.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

OPERATING EXPENSES.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

	1907-8.	1906-7.	Increase. Amount.	Increase. Per Cent.	Decrease. Amount.	Decrease. Per Cent.
Transportation expenses:						
Superintendence	$ 373,589.18	$ 314,305.66	$ 59,283.52	18.86		
Dispatching trains	184,709.33	162,131.93	22,577.40	13.93		
Station employees	1,671,416.96	1,592,451.80	78,965.16	4.96		
Weighing and car service associations	54,159.52	40,730.06	13,429.46	32.97		
Stock yards and grain elevators	809.52	771.98	37.54	4.86		
Station supplies and expenses	109,712.10	92,220.02	17,492.08	18.97		
Yard masters and their clerks	215,616.08	205,154.49	10,461.59	5.10		
Yard conductors and brakemen	636,155.18	646,410.39			$ 10,255.21	1.59
Yard, switch and signal tenders	15,543.22	15,524.90	18.32	.12		
Yard supplies and expenses	10,887.48	4,062.57	6,824.91	167.99		
Yard enginemen	356,168.83	355,792.03	376.80	.11		
Enginehouse expenses—yard	109,241.32	88,978.73	20,262.59	22.77		
Fuel for yard locomotives	309,234.60	291,776.59	17,458.01	5.98		
Water for yard locomotives	29,910.44	27,964.15	1,946.29	6.96		
Lubricants for yard locomotives	9,977.11	13,667.61			3,690.50	27.00
Other supplies for yard locomotives	7,526.62	10,356.30			2,829.68	27.32
Operating joint yards and terminals—Dr.	207,576.49	155,621.17	51,955.32	33.39		
Operating joint yards and terminals—Cr.	*157,919.59*	*210,119.15*	52,199.56	24.84		
Road enginemen	1,894,612.34	1,798,101.43	96,510.91	5.37		
Enginehouse expenses—road	405,586.16	375,657.36	29,928.80	7.97		
Fuel for road locomotives	2,641,151.35	2,452,040.57	189,110.78	7.71		
Water for road locomotives	183,771.22	159,255.60	24,515.62	15.39		
Lubricants for road locomotives	67,963.71	64,948.70	3,015.01	4.64		
Other supplies for road locomotives	65,032.27	59,651.33	5,380.94	9.02		
Road trainmen	2,036,201.26	1,938,378.03	97,823.23	5.05		
Train supplies and expenses	481,939.26	414,106.41	67,832.85	16.38		
Interlockers, block and other signals—operation	50,157.09	42,628.96	7,528.13	17.66		
Crossing flagmen and gatemen	42,305.76	36,896.12	5,409.64	14.66		
Drawbridge operation	1,095.95	685.00	410.95	59.99		
Clearing wrecks	141,157.51	164,561.39			23,403.88	14.22
Telegraph and telephone—operation	86,543.82	77,778.74	8,765.08	11.27		
Stationery and printing	132,162.45	120,568.68	11,693.77	9.70		
Insurance	82,746.99	63,065.33	19,681.66	31.21		
Other expenses	12,629.46	4,215.80	8,413.66	199.57		
Loss and damage—freight	679,986.24	511,555.56	168,430.68	32.93		
Loss and damage—baggage	23,739.86	10,692.96	13,046.90	122.01		
Damage to property	102,203.96	114,443.68			12,239.72	10.69
Damage to stock on right of way	147,335.26	141,737.60	5,597.66	3.95		
Injuries to persons	335,929.98	405,815.81			69,885.83	17.22
Operating joint tracks—Dr.	25,177.08	17,503.75	7,673.33	43.84		
Operating joint tracks—Cr.	*37,463.46*	*72,491.88*	35,028.42	48.32		
Total	$ 13,746,379.91	$ 12,709,598.16	$ 1,036,781.75	8.16		
General expenses:						
Salaries and expenses of general officers	$ 187,426.10	$ 169,811.54	$ 17,614.56	10.37		
Salaries and expenses of clerks and attendants	478,094.95	396,178.57	81,916.38	20.68		
General office supplies and expenses	72,887.03	124,916.64			$ 52,029.61	41.65
Law expenses	213,519.54	178,284.76	35,234.78	19.76		
Insurance	90.12		90.12			
Stationery and printing	67,467.06	46,821.65	20,645.41	44.09		
Other expenses	75,781.34	65,460.72	10,320.62	15.77		
General administration joint tracks, yards and terminals—Dr.	3,411.82	11,335.36			7,923.54	69.90
General administration joint tracks, yards and terminals—Cr.	*15,753.26*	*19,920.04*	4,166.78	20.92		
Total	$ 1,082,924.70	$ 972,889.20	$ 110,035.50	11.31		

Figures in italics denote credit.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

MAINTENANCE OF WAY AND STRUCTURES.

FOR THE YEAR ENDED JUNE 30th, 1908.

The average expenditure per mile of road during the year, for maintenance of way and structures, was $952.25.

Tie renewals for the year, were:

Cross ties	1,404,888
Switch ties (sets)	622

The following track improvements were made during the year:

141 feet of timber bridges were replaced by steel structures.

989 feet of iron and steel bridges were replaced with heavier structures of steel.

300 foot steel bridge was erected over tracks at Fyler Ave., St. Louis, Mo., and turned over to the City of St. Louis.

New steel rail was laid in main tracks during the year as follows:

3,582 tons of 85 lb.

6,593 tons of 75 lb.

301 tons of 70 lb.

545 tons of 65 lb.

There were 18.27 miles of track ballasted, 94.45 miles reballasted, and 25.71 miles of additional side tracks added.

4850

9513

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

MAINTENANCE OF EQUIPMENT AND ADDITIONS THERETO,

FOR FISCAL YEAR ENDED JUNE 30th, 1908.

There was expended for maintenance of equipment, during the year, $4,607,461.95.

The average expenditure for repairs per locomotive during the year, was $2,205.45.

The increase in the tractive power of locomotives at June 30, 1908, as compared with June 30, 1907, was 1,608,780 lbs., or 7.79 per cent.

The average expenditure for repairs of cars, during the year, was as follows:

PASSENGER	FREIGHT	SERVICE
$685.60	$54.39	$38.19

As a large percentage of each class of equipment is new, and the running repairs consequently light, the above expenditures, are, therefore, normal.

The net increases in rolling stock equipment of the Company during the year were as follows:

44 Locomotives.
75 Passenger cars.
3,282 Freight cars.
276 Service cars.

For description of all equipment owned, see pages 40 and 41.

9514

4851

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

RATIOS.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

	1907-8.	1906-7.	INCREASE.	DECREASE.
Ratio of each class of revenue to gross revenue:				
Freight	66.96	69.36	.....	2.40
Passenger	24.93	23.96	.97	.....
Mail	2.74	2.32	.42	.....
Express	3.15	2.61	.54	.....
Miscellaneous	1.56	1.24	.32	.....
Revenue from operation other than transportation	.66	.51	.15	.....
Total	100.00	100.00	.....	.....
Ratio of each class of expenses to total expenses:				
Maintenance of way and structures	19.22	22.47	.....	3.25
Maintenance of equipment	18.36	18.97	.....	.61
Traffic expenses	3.32	3.52	.....	.20
Transportation expenses	54.78	51.13	3.65	.....
General expenses	4.32	3.91	.41	.....
Total	100.00	100.00	.....	.....
Ratio of each class of expenses to gross revenue:				
Maintenance of way and structures	13.47	14.60	.....	1.13
Maintenance of equipment	12.87	12.33	.54	.....
Traffic expenses	2.33	2.28	.05	.....
Transportation expenses	38.39	33.22	5.17	.....
General expenses	3.02	2.54	.48	.....
Total expenses	70.08	64.97	5.11	.....

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

MILEAGE AND TRAFFIC STATISTICS.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

	1907-8.	1906-7.	INCREASE.	DECREASE.
Average miles of road operated	5,064.16	5,061.72	2.44	
Miles of road operated June 30th	5,064.16	5,064.16		
Freight train mileage	11,173,792	11,335,076		161,284
Passenger train mileage	8,985,918	8,767,089	218,829	
Mixed train mileage	439,503	508,641		69,138
Special train mileage	24,367		24,367	
Total revenue train mileage	20,623,580	20,610,806	12,774	
Non-revenue service train mileage	5,290,570	5,975,795		685,225
Total train mileage	25,914,150	26,586,601		672,451
Loaded freight cars one mile	143,927,483	157,246,188		13,318,705
Empty freight cars one mile	71,645,731	58,263,689	13,382,042	
*Total freight cars one mile	215,573,214	215,509,877	63,337	
Passenger cars one mile (including baggage, mail and express)	43,164,487	41,592,717	1,571,770	
Passenger cars (carrying passengers) one mile	28,904,616	26,752,953	2,151,663	
Mileage of freight cars in special service	269,046		269,046	
Mileage of passenger cars in special service	50,271		50,271	
Mileage of non-revenue service cars	5,350,377		5,350,377	
Number of tons moved—revenue freight	15,275,619	16,154,154		878,535
Number of tons moved—company freight	2,928,465	2,938,477		10,012
Number of tons moved—all freight	18,204,084	19,092,631		888,547
Number of tons moved one mile—revenue freight	2,465,448,295	2,658,150,453		192,702,158
Number of tons moved one mile—company freight	352,506,780	360,314,522		7,807,742
Number of tons moved one mile—all freight	2,817,955,075	3,018,464,975		200,509,900
Number of passengers carried	8,428,183	7,453,409	974,774	
Number of passengers carried one mile	414,178,289	357,891,225	56,287,064	

*Excludes caboose car mileage.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES

FREIGHT TRAFFIC STATISTICS.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

	1907-8.	1906-7.	INCREASE.	DECREASE.
Revenue per ton mile	$ .0097	$ .0100	.....	$ .0003
Revenue per ton	$ 1.569	$ 1.643	.....	$ .074
Revenue per train mile	$ 2.065	$ 2.240	.....	$ .175
*Revenue per car mile	$ .111	$ .123	.....	$ .012
Revenue per mile of road	$4,734.51	$5,242.22	.....	$ 507.71
Number of tons per train mile—revenue freight	212.30	224.44	.....	12.14
Number of tons per train mile—company freight	30.35	30.42	.....	.07
Number of tons per train mile—all freight	242.65	254.86	.....	12.21
Number of tons per loaded car mile—revenue freight	17.13	16.90	.23	.....
Number of tons per loaded car mile—company freight	2.45	2.29	.16	.....
Number of tons per loaded car mile—all freight	19.58	19.19	.39	.....
Number of cars per train—loaded	12.37	13.28	.....	.91
Number of cars per train—empty	6.15	4.92	1.23	.....
Number of cars per train—all	18.52	18.20	.32	.....
Average haul per ton—revenue freight (in miles)	161.40	164.55	.....	3.15
Average haul per ton—company freight (in miles)	120.37	122.62	.....	2.25
Average haul per ton—all freight (in miles)	154.80	158.10	.....	3.30
Density of ton miles, per mile of road—revenue freight	486,842	525,148	.....	38,306

*Exeludes caboose car mileage.

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

PASSENGER TRAFFIC AND PER MILE OF ROAD STATISTICS.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

	1907-8.	1906-7.	INCREASE.	DECREASE.
PASSENGER TRAFFIC.				
Revenue per passenger mile	$ .0215	$ .0256	.....	$ .0041
Revenue per passenger	$ 1.0592	$ 1.2298	.....	$ .1706
Revenue per train mile (excluding mail and express)	$ .9934	$ 1.0455	.....	$ .0521
Revenue per train mile (including mail and express)	$ 1.2282	$ 1.2605	.....	$ .0323
Revenue per car mile	$ .3088	$ .3426	.....	$ .0338
Revenue per mile of road (excluding mail and express)	$1,762.79	$1,810.91	.....	$ 48.12
Revenue per mile of road (including mail and express)	$2,179.26	$2,183.22	.....	$ 3.96
Number of passengers per train mile	46.09	40.82	5.27	.....
*Number of passengers per car mile	14.33	13.38	.95	.....
Average distance carried (in miles)	49.14	48.02	1.12	.....
Number of cars per train	4.83	4.74	.09	.....
Density of passenger miles, per mile of road	81,786	70,705	11,081	.....
PER MILE OF ROAD.				
Total operating revenue	$7,070.50	$7,557.51	.....	$ 487.01
Operating expenses	4,955.00	4,910.70	$ 44.30	.....
Net revenue	$2,115.50	$2,646.81	.....	$ 531.31
Other income	305.79	370.07	.....	64.28
Total income	$2,421.29	$3,016.88	.....	$ 595.59
Taxes	$ 187.28	$ 177.21	$ 10.07	.....
Rentals	718.98	731.31	.....	$ 12.33
Fixed charges	1,424.38	1,286.78	137.60	.....
Total charges and taxes	$2,330.64	$2,195.30	$ 135.34	.....
Balance	$ 90.65	$ 821.58	.....	$ 730.93

*Based on cars carrying passengers.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

COMMODITY STATISTICS.

(REVENUE FREIGHT ONLY).

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

COMMODITIES.	Tons Carried 1907-8.		Tons Carried 1906-7.		Increase.		Decrease.	
	Number.	Per Cent.	Number.	Per Cent.	Number.	Per Cent.	Number.	Per Cent.
Products of Agriculture:								
Corn	406,590	2.66	499,500	3.09			92,910	18.60
Wheat	335,743	2.20	483,847	2.99			148,104	30.61
Oats	88,895	.58	188,940	1.17			100,045	52.95
Other grain	10,025	.07	20,090	.12			10,065	50.10
Flour	311,647	2.04	343,609	2.13			31,962	9.30
Other mill products	184,105	1.21	185,686	1.15			1,581	.85
Hay and straw	229,364	1.50	211,114	1.30	18,250	8 64		
Tobacco	7,529	.05			7,529	100.00		
Cotton	248,190	1.62	287,331	1.79			39,141	13.62
Fruit and vegetables	216,727	1.42	240,532	1.49			23,805	9.89
Other agricultural products	272,333	1.78	330,396	2.05			58,063	17.58
Total	2,311,148	15.13	2,791,045	17.28			479,897	17.19
Animals and Animal Products:								
Live stock	414,012	2.71	441,496	2.74			27,484	6.23
Dressed meats	26,468	.18	24,778	.15	1,690	6.82		
Other packing house products	71,606	.47	127,214	.78			55,608	43.71
Poultry, game and fish	23,066	.15	22,774	.14	292	1.28		
Wool	632	.00	1,143	.01			511	44.71
Hides and leather	6,529	.04	5,851	.04	678	11.59		
Other animal products	29,042	.19	3,010	.02	26,032	864.85		
Total	571,355	3.74	626,266	3.88			54,911	8.77
Products of Mines:								
Anthracite coal	163	.00	152	.00	11	7.24		
Bituminous coal	4,844,523	31.71	5,062,167	31.34			217,644	4.30
Coke	137,842	.90	143,526	.89			5,684	3.96
Ores	216,872	1.42	255,892	1.59			39,020	15.25
Stone, sand and other like articles	743,350	4.87	703,338	4.35	40,012	5.69		
Other mineral products	472,135	3.10	227,984	1.41	244,151	107.09		
Total	6,414,885	42.00	6,393,059	39.58	21,826	.34		
Products of Forest:								
Lumber	1,810,871	11.85	1,953,340	12.09			142,469	7.29
Other forest products	1,273,383	8.34	1,017,474	6.30	255,909	25.15		
Total	3,084,254	20.19	2,970,814	18.39	113,440	3.82		
Manufactures:								
Petroleum and other oils	141,611	.93	207,069	1.28			65,458	31.61
Sugar and syrup	47,421	.31	55,175	.34			7,754	14.05
Iron (pig and bloom)	157,360	1.03	190,051	1.18			32,691	17.20
Iron and steel rails	63,596	.41	61,702	.38	1,894	3.07		
Other castings and machinery	48,721	.32	218,274	1.35			169,553	77.68
Bar and sheet metal	48,572	.32	84,591	.53			36,019	42.58
Cement, brick and lime	798,795	5.23	914,022	5.65			115,227	12.61
Agricultural implements	27,763	.18	34,944	.22			7,181	20.55
Wagons, carriages, tools, etc.	34,661	.23	113,177	.70			78,516	69.37
Wines, liquors and beers	43,635	.28	44,046	.27			411	.93
Household goods and furniture	98,943	.65	102,134	.63			3,191	3.12
Other manufactures	572,790	3.75	350,589	2.17	222,201	63.38		
Total	2,083,868	13.64	2,375,774	14.70			291,906	12.29
Other Commodities:								
*Merchandise	718,422	4.70	771,147	4.77			52,725	6.84
†Miscellaneous	91,687	.60	226,049	1.40			134,362	59.44
Total	810,109	5.30	997,196	6.17			187,087	18.76
Grand total	15,275,619	100.00	16,154,154	100.00			878,535	5.44

*All less than carload shipments.
†All carload shipments of commodities not mentioned above.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

PERFORMANCE OF LOCOMOTIVES, YEAR ENDED JUNE 30th, 1908, AS COMPARED WITH PREVIOUS YEAR.

	1907-8.	1906-7.	INCREASE.	DECREASE.
Mileage:				
Freight locomotive miles	11,576,401	11,937,214	.....	360,813
Passenger locomotive miles	9,170,838	8,915,094	255,744	.....
Mixed locomotive miles	441,447	512,982	.....	71,535
Special locomotive miles	24,705	.....	24,705	.....
Switching locomotive miles	3,874,927	3,932,406	.....	57,479
Total revenue locomotive miles	25,088,318	25,297,696	.....	209,378
Less:				
Miles of engines of other companies on which the St. Louis and San Francisco R. R. Co. makes no general repairs	2,026,102	816,855	1,209,247	.....
	23,062,216	24,480,841	.....	1,418,625
Add:				
Miles of St. Louis and San Francisco R. R. Co. engines leased to other companies, on which it makes general repairs	440,975	186,045	254,930	.....
Net revenue locomotive miles (*a*)	23,503,191	24,666,886	.....	1,163,695
Non-revenue service locomotive miles	825,832	1,277,136	.....	451,304
Total locomotive miles (*b*)	24,329,023	25,944,022	.....	1,614 999
Cost of Labor and Material:				
Repairs, renewals and depreciation of locomotives	$ 2,023,979.92	$ 2,194,924.04	.....	$ 170,944.12
Wages of engineers and firemen	2,250,781.17	2,153,893.46	$ 96,887.71	.....
Wages of and supplies for enginehouse men	514,827.48	464,636.09	50,191.39	.....
Coal	2,806,991.48	2,647,699.18	159,292.30	.....
Wood and oil	143,394.47	96,117.98	47,276.49	.....
Water supply	213,681.66	187,219.75	26,461.91	.....
Oil and waste	77,940.82	78,616.31	.....	675.49
Miscellaneous supplies	72,558.89	70,007.63	2,551.26	.....
Total cost of labor and material	$ 8,104,155.89	$ 7,893,114.44	$ 211,041.45	.....
Cost per Mile in Cents:				
Locomotive repairs, renewals and depreciation (*a*)	8.61	8.90	.....	.29
Engineers and firemen (*a*)	9.58	8.73	.85	.....
Enginehouse men (*a*)	2.19	1.88	.31	.....
Fuel (*a*)	12.55	11.12	1.43	.....
Water supply (*a*)	91	.76	.15	.....
Oil and waste (*a*)	.33	.32	.01	.....
Miscellaneous supplies (*a*)	.31	.28	.03	.....
Total cost per mile in cents	34.48	31.99	2.49	.....
Miles Run:				
To one ton of coal	15.21	16.60	.....	1.39
To one pint of oil (lubricating)	14.61	14.99	.....	.38
To one pint of oil (all kinds)	9.73	10.00	.....	.27
Average Cost of Fuel:				
Coal, per ton	$ 1.70	$ 1.70	.....	.....
Wood, per cord	2.38	2.90	.....	$ .52
Oil, per gallon	.0113	.0128	.....	.0015

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

NUMBER AND CAPACITY OF LOCOMOTIVES,

FOR FIVE YEARS ENDED JUNE 30th, 1908.

LOCOMOTIVES—ALL CLASSES.	June 30th, 1908.	June 30th, 1907.	June 30th, 1906.	June 30th, 1905.	June 30th, 1904.
Number	907	863	800	770	731
Weight on drivers, tons	48,987	45,649	41,118	38,005	34,689
Average weight on drivers, tons	54.0	52.9	51.4	49.3	47.5
Total weight, tons	61,333	57,270	52,141	48,430	44,618
Average total weight, tons	67.6	66.4	65.2	62.9	61.0
Tractive power, pounds	22,270 880	20,662,100	18,489,400	17,288,100	15,541,800
Average tractive power, pounds	24,554	23,942	23,112	22,452	21,261
ASSIGNED TO ROAD SERVICE.					
Number	794	760	715	707	669
Weight on drivers, tons	43,513	40,561	37,101	35,358	32,077
Average weight on drivers, tons	54.8	53.4	51.9	50.0	47.9
Total weight, tons	55,633	52,182	48,124	45,781	42,006
Average total weight, tons	70.1	68.6	67.3	64.7	62.8
Tractive power, pounds	19,776,400	18,447,800	16,782,000	16,200,000	14,483,900
Average tractive power, pounds	24,907	24,273	23,471	22,913	21,650

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ROAD LOCOMOTIVES BY CLASSES.
JUNE 30th, 1908.

CLASS.	Number.	Average weight on drivers, tons.	Average total weight, tons.	Per cent. of total number of road locomotives.	Per cent. of total tractive power.
8-wheel	152	35.3	48.7	19.14	11.84
Mogul	67	42.1	50.8	8.43	6.67
10-wheel	429	58.1	75.8	54.04	56.93
Pacific	15	61.0	96.4	1.89	1.91
Consolidation	131	70.9	79.6	16.50	22.65
Total	794	54.8	70.1	100.00	100.00

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

CAR EQUIPMENT.

JUNE 30th, 1908, COMPARED WITH JUNE 30th, 1907.

DESCRIPTION	June 30th, 1907.	Additions—Purchased, built or changed.	Reductions—Destroyed, sold or changed.	June 30th, 1908.
In passenger service:				
Coaches, first class	80	38	....	118
Coaches, second class	103	....	1	102
Chair cars	73	15	2	86
Café-observation cars	7	4	1	10
Library-buffet cars	1	....	....	1
Dining cars	2	....	....	2
Combination cars	58	....	2	56
Baggage, mail and express cars	31	6	2	35
Baggage and express cars	65	25	3	87
Mail cars	34	....	2	32
Other cars	7	....	....	7
Total passenger cars	461	88	13	536
In freight service:				
Box cars	13,960	3,047	1,077	15,930
Furniture cars	1,605	29	20	1,614
Flat, coal and coke cars	10,592	1,273	862	11,003
Stock cars	528	1,001	101	1,428
Refrigerator cars	17	....	8	9
Total freight cars	26,702	5,350	2,068	29,984
In company service:				
Business cars	12	....	....	12
Caboose cars	396	5	15	386
Gravel, ballast and cinder cars	953	4	38	919
Derrick cars	12	....	....	12
Steam shovels	11	....	....	11
Pile drivers	10	....	....	10
Tool and material cars	217	76	33	260
Boarding cars	601	291	90	802
Other cars	200	115	39	276
Total miscellaneous cars	2,412	491	215	2,688
Total car equipment	29,575	5,929	2,296	33,208

CAPACITY IN TONS, OF FREIGHT CAR EQUIPMENT, FOR FIVE YEARS ENDED JUNE 30th, 1908.

KIND.	June 30th, 1908.	June 30th, 1907.	June 30th, 1906.	June 30th, 1905.	June 30th, 1904.
Box cars	511,080	414,190	328,280	326,725	260,247
Furniture cars	49,350	48,150	25,140	25,620	20,255
Flat, coal and coke cars	429,411	388,278	363,929	312,173	287,177
Stock cars	49,650	11,840	15,130	17,535	18,900
Refrigerator cars	250	450	1,110	2,005	2,330
Total	1,039,741	862,908	733,589	684,058	588,909

AVERAGE CAPACITY IN POUNDS, OF FREIGHT CAR EQUIPMENT, FOR FIVE YEARS ENDED JUNE 30th, 1908.

KIND.	June 30th, 1908.	June 30th, 1907.	June 30th, 1906.	June 30th, 1905.	June 30th, 1904.
Box cars	64,591	59,361	54,441	54,140	51,703
Furniture cars	61,152	60,000	60,000	60,000	56,420
Flat, coal and coke cars	78,053	76,124	63,993	102,058	99,926
Stock cars	69,537	44,848	44,239	43,263	42,924
Refrigerator cars	55,555	52,941	55,500	50,760	49,596
Average—all freight cars	69,353	64,632	60,412	56,785	55,136

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

KANSAS CITY AND MEMPHIS RAILWAY AND BRIDGE COMPANY FIRST MORTGAGE 5% BONDS.

SINKING FUND ACCOUNT.

4860

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Bay State Trust Co., of Boston, Mass. } Trustee under mortgage dated October 1st, 1889.

In account with the Kansas City and Memphis Railway and Bridge Company, June 30th, 1908.

DEBIT.

Receipts, as of June 30th, 1907, viz.:			
From sinking fund payments		$165,000.00	
From interest on bonds in sinking fund		85,150.00	
Total		$250,150.00	
Less:			
Services and expenses of trustee		1,989.33	
Net receipts, as of June 30th, 1907			$248,160.67
Add:			
Receipts for the fiscal year ended June 30th, 1908, viz.:			
Sixteenth annual payment		$ 10,000.00	
October, 1907, coupon	$ 6,125.00		
April, 1908, coupon	6,125.00	12,250.00	
Total		$ 22,250.00	
Less:			
Services and expenses of trustee		142.99	
Net receipts for the fiscal year ended June 30th, 1908			22,107.01
Total net receipts, as of June 30th, 1908			$270,267.68
Represented by:			
Bonds purchased, $245,000.00, cost			$258,160.67
Cash held by trustee			12,107.01
Total			$270,267.68

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

CAPITAL STOCK AND FUNDED DEBT OUTSTANDING AND AMOUNT OF EACH PER MILE OF ROAD OWNED, FOR THE TEN YEARS ENDED JUNE 30th, 1908.

YEARS.	Mileage Owned.	Capital Stock.		Funded Indebtedness.		Annual Accrued Interest Charge per Mile.
		Amount Outstanding.	Per Mile.	Amount Outstanding.	Per Mile.	
1899.....	1,385.39	$45,616,404.50	$32,926.76	$41,708,350.00	$30,105.85	$1,537.85
1900.....	1,548.85	45,616,404.50	29,451.79	45,014,225.00	29,063.02	1,448.06
1901.....	1,703.91	46,578,204.50	27,336.07	46,471,125.00	27,273.23	1,339.15
1902.....	3,286.21	48,385,104.50	14,723.68	108,244,955.00*	32,939.15	1,465.60
1903.....	3,810.14	50,044,362.30	13,134.52	126,509,455.00*	33,203.45	1,399.17
1904.....	4,221.32	50,033,562.30	11,852.59	139,395,453.71*	33,021.77	1,413.18
1905.....	4,946.18	50,012,462.30	10,111.33	161,633,744.41*	32,678.50	1,475.94
1906.....	4,930.28	49,993,262.30	10,140.05	167,440,148.59*	33,277.04†	1,501.11
1907.....	5,020.66	49,993,262.30	9,957.51	177,520,302.20*	33,864.13†	1,447.82
1908.....	5,020.91	49,993,262.30	9,957.01	189,890,717.74*	36,326.23†	1,456.85

*Exclusive of preferred trust certificates, The Kansas City, Fort Scott and Memphis Railway Company: Common and preferred trust certificates Chicago and Eastern Illinois Railroad Company, and equipment trust obligations.

†Exclusive of the five-year 5% notes of 1906, issued for construction of the Colorado Southern, New Orleans & Pacific R. R., the mileage of which is not yet completed, nor included in this table.

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GROSS REVENUE, OPERATING EXPENSES, NET REVENUE AND AMOUNT OF EACH PER MILE OF ROAD OPERATED, FOR THE TEN YEARS ENDED JUNE 30th, 1908.

YEARS.	Average Mileage Operated.	Gross Revenue.	Operating Expenses.	Net Revenue from Operation.	Per-centage of Operating Expenses.	Per Mile of Road.		
						Gross Revenue.	Operating Expenses.	Net Revenue.
1899...	1,333.76	$ 7,226,662.13	$ 4,341,190.55	$ 2,885,471.58	60.07	$5,418.26	$3,254.85	$2,163.41
1900...	1,400.79	7,983,246.06	4,692,526.77	3,290,719.29	58.78	5,699.10	3,349.91	2,349.19
1901...	1,686.62	10,173,697.25	5,845,007.41	4,328,689.84	57.45	6,032.00	3,465.51	2,566.49
1902...	3,252.35	21,620,882.49	13,472,470.60	8,148,411.89	62.31	6,647.77	4,142.38	2,505.39
1903...	3,675.23	24,289,510.43	15,875,976.78	8,413,533.65	65.36	6,608.98	4,319.72	2,289.26
1904...	4,216.88	26,896,731.29	17,756,251.99	9,140,479.30	66.02	6,378.35	4,210.76	2,167.59
1905...	5,030.45	29,958,239.76	19,297,016.85	10,661,222.91	64.40	5,955.38	3,836.04	2,119.34
1906...	5,068.92	32,046,656.56	20,545,533.12	11,501,123.44	64.11	6,322.19	4,053.24	2,268.95
1907...	5,061.72	38,621,067.51	24,872,579.36	13,748,488.15	64.40	7,630.03	4,913.86	2,716.17
1908...	5,064.16	35,806,132.11	25,092,924.94	10,713,207.17	70.08	7,070.50	4,955.00	2,115.50

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

CONDENSED INCOME ACCOUNT, FOR THE TEN YEARS ENDED JUNE 30th, 1908.

Years.	Average Mileage Operated	Gross Income.	Operating Expenses and all other Deductions from Income.	Total Net Income.	Interest on Funded Debt and Equipment Notes Etc.	Surplus Applicable to Dividends.	Less Dividends Declared as per Income Account Statements.	Balance of Income carried to Profit and Loss.
1899	1,333.76	$7,303,822.49	$4,588,505.45	$2,715,317.04	$2,130,517.00	$ 584,800.04	$ 360,000.00	$ 224,800.04
1900	1,400.79	8,101,248.54	5,028,552.93	3,072,695.61	2,176,335.00	896,360.61	520,000.00	376,360.61
1901	1,686.62	10,284,867.38	6,373,764.79	3,911,102.59	2,281,803.32	1,629,299.27	600,000.00	1,029,299.27
1902	3,252.35	21,818,042.87	14,319,004.41	7,499,038.46	4,816,259.86	2,682,778.60	1,210,581.06	1,472,197.54
1903	3,675.23	25,032,813.84	16,797,447.97	8,235,365.87	5,331,026.22	2,904,339.65	2,269,364.62	634,975.03
1904	4,216.88	27,779,843.91	18,853,252.04	8,926,591.87	6,157,852.07	2,768,739.80	2,344,844.12	423,895.68
1905	5,030.45	30,790,353.03	20,667,003.65	10,123,349.38	7,494,638.95	2,628,710.43	2,444,324.12	184,386.31
1906	5,068.92	33,679,316.45	22,144,105.95	11,535,210.50	7,591,192.87	3,944,017.63	2,154,624.12	1,789,393.51
1907	5,061.72	40,127,172.10	26,365,516.10	13,761,656.00	7,968,190.71	5,793,465.29	1,834,624.12	3,958,841.17
1908	5,064.16	37,354,689.11	26,577,785.36	10,776,903.75	8,682,955.61	2,093,948.14	1,834,624.12	259,324.02

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

SUMMARY OF FREIGHT AND PASSENGER TRAFFIC, FOR THE TEN YEARS ENDED JUNE 30th, 1908.

REVENUE FREIGHT.

Years.	Average Mileage Operated.	Tons Carried.			Average Per Ton.		Average Load in Tons.	
		Number.	Mileage.	Revenue.	Miles Carried.	Rate Per Mile, Cents.	Per Train.	Per Loaded Car.
1899	1,333.76	2,587,829	506,999,422	$5,166,180.41	195.92	1.019	129.78	10.96
1900	1,400.79	2,865,181	521,615,596	5,520,998.52	182.05	1.058	154.91	12.59
1901	1,686.62	3,500,313	685,464,932	7,243,721.05	195.83	1.057	187.95	13.61
1902	3,252.35	9,068,650	1,637,557,119	15,606,243.15	180.57	0.953	186.91	14.78
1903	3,675.23	10,049,931	1,749,596,697	17,398,876.18	174.09	0.995	195.01	15.27
1904	4,216.88	11,114,417	1,923,003,602	18,776,231.27	173.01	0.976	197.82	15.84
1905	5,030.45	12,793,075	1,999,624,091	20,111,455.45	156.31	1.005	199.58	15.65
1906	5,068.92	13,848,992	2,306,200,334	21,955,975.42	166.52	0.952	214.46	15.94
1907	5,061.72	16,154,154	2,658,150,453	26,848,664.91	164.55	1.010	224.44	16.90
1908	5,064.16	15,275,619	2,465,448,295	23,976,296.87	161.40	0.972	212.30	17.13

PASSENGER.

Years.	Average Mileage Operated.	Passengers Carried.			Average Per Passenger.		Average Number of	
		Number.	Mileage.	Revenue.	Miles Carried.	Rate Per Mile, Cents.	Passengers Per Train.	Passengers Per Car.
1899	1,333.76	1,917,156	72,943,145	$ 1,507,062.47	38.05	2.07	33.53	7.98
1900	1,400.79	2,301,365	88,228,897	1,835,566.79	38.34	2.08	37.71	11.09
1901	1,686.62	2,218,717	101,964,785	2,143,323.06	45.96	2.10	37.14	11.28
1902	3,252.35	3,678,344	185,236,488	4,253,757.73	50.36	2.30	34.66	10.89
1903	3,675.23	4,181,637	214,314,007	4,885,163.17	51.25	2.28	36.45	11.27
1904	4,216.88	4,930,585	254,484,036	5,982,083.13	51.61	2.35	38.92	11.88
1905	5,030.45	5,978,866	336,279,091	7,647,577.55	56.24	2.27	44.08	13.97
1906	5,068.92	6,259,056	322,008,662	7,908,644.11	51.45	2.46	40.31	13.11
1907	5,061.72	7,453,409	357,891,225	9,169,400.43	48.02	2.56	40.82	13.38
1908	5,064.16	8,428,183	414,178,289	8,927,036.90	49.14	2.15	46.09	14.33

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

INCOME ACCOUNT YEAR ENDED JUNE 30th, 1908.

	1907-8.	1906-7.	INCREASE.	DECREASE.
Average mileage operated	6,021.26	6,009.39	11.87	
Operating revenue—				
Freight	$32,499,683.84	$35,815,000.10		$ 3,315,316.26
Passenger	10,607,340.04	10,807,395.93		200,055.89
Mail	1,100,188.65	996,056.16	$ 104,132.49	
Express	1,378,091.78	1,198,825.36	179,266.42	
Miscellaneous	674,451.78	585,121.87	89,329.91	
Total transportation revenue	$46,259,756.09	$49,402,399.42		$ 3,142,643.33
Revenue from operation other than transportation	289,107.42	244,978.99	$ 44,128.43	
Total operating revenue	$46,548,863.51	$49,647,378.41		$ 3,098,514.90
Operating expenses—				
Maintenance of way and structures	$ 6,047,757.45	$ 6,942,108.90		$ 894,351.45
Maintenance of equipment	6,143,261.95	6,399,910.07		256,648.12
Traffic expenses	1,031,120.45	1,103,910.60		72,790.15
Transportation expenses	17,674,818.53	16,636,663.00	$ 1,038,155.53	
General expenses	1,452,867.30	1,312,138.56	140,728.74	
Total operating expenses	$32,349,825.68	$32,394,731.13		$ 44,905.45
Net operating revenue	$14,199,037.83	$17,252,647.28		$ 3,053,609.45
Taxes	1,307,001.56	1,231,958.13	$ 75,043.43	
Operating income	$12,892,036.27	$16,020,689.15		$ 3,128,652.88
Miscellaneous income—				
Outside operations	$ *40,925.16*	$ *12,385.10*		$ 28,540.06
Hire of equipment	*65,948.75*	235,622.47		301,571.22
Other income	1,452,556.68	1,327,869.03	$ 124,687.65	
Total miscellaneous income	$ 1,345,682.77	$ 1,551,106.40		$ 205,423.63
Total income	$14,237,719.04	$17,571,795.55		$ 3,334,076.51
Interest	$ 8,298,552.89	$ 7,500,568.65	$ 797,984.24	
Rentals and sinking funds—				
Interest on guaranteed securities	2,564,203.43	2,549,320.63	14,882.80	
Other rentals and sinking funds	1,239,268.82	1,152,755.21	86,513.61	
Dividends on trust certificates, The Kansas City, Ft. Scott & Memphis Railway	540,400.00	540,400.00		
Dividends on trust certificates, Chicago & Eastern Illinois Railroad	1,094,482.00	1,094,482.00		
Total charges	$13,736,907.14	$12,837,526.49	$ 899,380.65	
Available for dividends	$ 500,811.90	$ 4,734,269.06		$ 4,233,457.16
Dividends to stockholders—				
Four per cent. on first preferred stock of St. Louis and San Francisco Railroad Co.	$ 199,742.12	$ 199,742.12		
Six per cent. on preferred stock of the Chicago and Eastern Illinois Railroad Company to stockholders other than St. Louis and San Francisco Railroad Company	157,140.00	157,140.00		
Total dividends	$ 356,882.12	$ 356,882.12		
Surplus carried to credit of profit and loss	$ 143,929.78	$ 4,377,386.94		$ 4,233,457.16

Figures in italics denote debit.

NOTE—To preserve comparisons the revenue and operating expenses and other figures for year 1906-7 are re-stated hereon to conform with the classification of the Interstate Commerce Commission.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

GENERAL PROFIT AND LOSS AND ADJUSTMENTS THEREIN,

JUNE 30th, 1907, TO JUNE 30th, 1908.

CREDIT.

Balance at credit, June 30th, 1907		$7,310,292.57
Surplus for the year ended June 30th, 1908	$ 143,929.78	
Miscellaneous liability accounts written off	61,112.53	205,042.31
TOTAL CREDIT		$7,515,334.88

DEBIT.

Annual installment from franchises and property account, on account of differences between the cost of underlying bonds refunded and the proceeds of refunding bonds sold, and the commissions paid therefor	$250,000.00	
Discount on securities sold and exchanged, and expenditures in connection with listing, certifying and issuing new bonds (balance)	835,655.41	
Depreciation in value of tracks taken up and equipment destroyed and dismantled during current fiscal year	730,182.86	
Original cost of other property destroyed	6,318.46	
State tax on increase in capital stock	50,000.00	
Miscellaneous accounts, written off	173,712.35	
TOTAL DEBIT		$2,045,869.08
Balance		5,469,465.80
		$7,515,334.88
By balance at credit, June 30th, 1908		$5,469,465.80

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

CONDENSED GENERAL BALANCE SHEET, JUNE 30th, 1908.

ASSETS.		AMOUNT.	LIABILITIES.	AMOUNT.
Capital assets:			*Capital liabilities:*	
Property, franchises and trust assets		$ 341,461,583.47	Capital stock	$ 59,188,600.00
			Stock trust certificates	40,872,050.00
			Funded debt	227,459,717.74
			Equipment bonds and notes outstanding	27,496,087.63
				$355,016,455.37
Current assets:			*Current liabilities:*	
Cash		$ 3,308,428.63	Audited vouchers and pay rolls	$ 6,917,183.05
Due from agents and conductors	Dr. $1,564,345.16 Cr. 48,578.37	1,515,766.79	Interest and dividends matured	2,668,236.70
			Matured bonds unpresented (see contra)	12,858.00
Due from railroad companies account traffic	Dr. $1,281,642.07 Cr. 1,231,471.39	50,170.68	Interest accrued—not due	1,758,130.09
			Taxes accrued—not due	377,559.24
Due from companies and individuals	Dr. $3,831,608.02 Cr. 40,396.57	3,791,211.45	Notes payable	14,382,035.90
				$ 26,116,002.98
Due from United States Government		279,360.44		
Loans and bills receivable		213,656.38		
Securities in treasury		25,405,153.59		
Supplies on hand		4,986,574.68		
Central Trust Co. of N. Y., for redemption of matured bonds (see contra)		12,858.00		
Advances account construction—fundable		5,999,439.15		
Total current assets		$ 45,562,619.79	*Provisional accounts:*	
			Sinking funds, accrued	$ 282,554.87
			Insurance, improvement and replacement funds	1,199,984.08
				$ 1,482,538.95
Deferred assets:				
			Grand total liabilities	$382,614,997.30
Open carrying accounts in process of adjustment	Dr. $1,249,198.12 Cr. 673,745.88	$ 575,452.24		
Trustees of sinking funds		484,807.60	Profit and loss	5,469,465.80
Total assets		$ 388,084,463.10	Total	$388,084,463.10

NOTE—In stating the assets and liabilities of the companies covered by this balance sheet, the holdings of the St. Louis and San Francisco R. R. Co., in the bonds and capital stocks of leased and auxiliary lines, are eliminated.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

INTEREST ACCRUED.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

DESCRIPTION OF DEBT.	RATE.	AMOUNT. 1907-8.	AMOUNT. 1906-7.	INCREASE.	DECREASE.
St. Louis and San Francisco Railroad Company—					
Refunding Mortgage Bonds	4 per cent.	$2,572,940.00	$2,511,868.32	$ 61,071.68	.....
Consolidated Mortgage Bonds	4 "	62,320.00	62,320.00	.....	.....
Central Division First Mortgage Bonds	4 "	5,800.00	5,800.00	.....	.....
Southwestern Division First Mortgage Bonds	5 "	41,450.00	41,450.00	.....	.....
Northwestern Division First Mortgage Bonds	4 "	1,880.00	1,880.00	.....	.....
Two and One-half Year Gold Notes (old issue)	5 "	.....	105,003.18	.....	$105,003.18
Two and One-half Year Gold Notes (new issue)	5 "	1,862.02	.....	.....	1,862.02
Five Year Gold Notes	4½ "	315,495.00	315,495.00	.....	.....
One Year Collateral Trust Notes (redeemed June 26, 1908.)	6 "	96,250.00	.....	96,250.00	.....
Seven Year Gold Notes	4½ "	180,000.00	180,000.00	.....	.....
General Lien Mortgage 15-20 Year Bonds	5 "	.....	.....	.....	.....
Ozark and Cherokee Central Railway Company First Mortgage Bonds	5 "	144,000.00	144,000.00	.....	.....
Muskogee City Bridge Company First Mortgage Bonds	5 "	5,000.00	5,000.00	.....	.....
St. Louis, Memphis and Southeastern Railroad Company—					
Five Year Gold Bonds	4½ "	697,252.50	694,527.02	2,725.48	.....
First Mortgage Bonds	4 "	14,600.00	15,560.00	.....	960.00
Pemiscot Railroad First Mortgage Bonds	6 "	3,240.00	3,240.00	.....	.....
Kennett and Osceola Railway First Mortgage Bonds	6 "	3,900.00	3,900.00	.....	.....
Southern Missouri and Arkansas Railroad First Mortgage Bonds	5 "	228.75	324.93	.....	96.18
St. Louis and San Francisco Railway Company—					
Second Mortgage Bonds, Series A, B and C	6 "	.....	41,006.00	.....	41,006.00
Missouri and Western Division First Mortgage Bonds	6 "	6,865.00	7,165.00	.....	300.00
Trust Mortgage Bonds of 1880	6 "	11,675.00	11,700.00	.....	25.00
Trust Mortgage Bonds of 1887	5 "	21,950.00	21,950.00	.....	.....
General Mortgage Bonds	6 "	220,860.00	220,860.00	.....	.....
General Mortgage Bonds	5 "	290,150.00	290,150.00	.....	.....
St. Louis, Wichita and Western Railway Company First Mortgage Bonds	6 "	18,240.00	18,240.00	.....	.....
Fort Smith and Van Buren Bridge Company First Mortgage Bonds	6 "	3,540.00	3,540.00	.....	.....
Notes Payable	4 "	588,119.38	206,131.25	381,988.13	.....
Equipment Notes Series "A," Blair and Company	4 "	21,843.33	27,083.34	.....	5,240.01
Equipment Notes Series "B," R. Winthrop and Company	4 "	24,013.34	28,973.34	.....	4,960.00
Equipment Notes Series "C," R. Winthrop and Company	4 "	20,333.34	24,333.32	.....	3,999.98
Equipment Notes Series "D" and "E," American Car and Foundry Company	5 "	36,869.76	36,869.76	.....	.....
Equipment Bonds Series "F," Blair and Company	5 "	30,450.00	42,050.00	.....	11,600.00
Equipment Notes Series "G," Blair and Company	4½ "	117,654.00	113,830.50	3,823.50	.....
Equipment Notes Series "H," Blair and Company	5 "	18,500.00	12,750.00	5,750.00	.....
Equipment Notes Series "I," American Car & Foundry Co.	5 "	147,252.50	57,070.00	90,182.50	.....
Equipment Notes Series "J," Pullman Company	5 "	9,715.82	1,895.79	7,820.03	.....
Equipment Notes Series "K," American Car & Foundry Co.	5 "	16,841.67	5,983.33	10,858.34	.....
Carried forward	.....	$5,747,367.37	$5,261,950.08	$485,417.29	.....

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

INTEREST ACCRUED.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

DESCRIPTION OF DEBT.	RATE.	AMOUNT. 1907-8.	AMOUNT. 1906-7.	INCREASE.	DECREASE.
(Brought forward)	.....	$ 5,747,367.37	$5,261,950.08	$ 485,417.29	.....
Equipment Notes, Series "L," American Car & Foundry Co.	5 per cent.	178,474.17	.....	178,474.17	.....
Equipment Notes, Series "M," Pullman Co.	5 "	19,265.64	.....	19,265.64	.....
Equipment Certificates, Series "O," Provident Life & Trust Co.	6 "	16,725.00	.....	16,725.00	.....
Ft. Worth and Rio Grande Ry. Co.—					
First Mortgage Bonds.	4 "	116,920.00	116,920.00	.....	.....
Birmingham Belt R. R. Co.—					
First Mortgage Bonds.	4 "	40,000.00	40,000.00	.....	.....
Total St. L. & S. F. R. R. Co.	.....	$6,118,752.18	$5,418,870.08	$ 699,882.10	.....
Chicago and Eastern Illinois R. R. Co.—					
Refunding and Improvement Mortgage	4 "	$ 244,666.65	$ 245,040.00	.....	$ 373.35
First Mortgage Sinking Fund.	6 "	63,680.00	176,052.00	.....	112,372.00
Danville and Grape Creek R. R. Co. First Mortgage	6 "	5,820.00	5,820.00	.....	.....
First Mortgage Extension	6 "	5,460.00	5,460.00	.....	.....
First Consolidated Mortgage.	6 "	164,940.00	167,280.00	.....	2,340.00
Sinking Fund Collateral Trust	6 "	1,695.00	2,520.00	.....	825.00
General Consolidated and First Mortgage	5 "	967,222.06	829,629.84	$ 137,592.22	.....
Chicago and Indiana Coal R. R. Co. First Mortgage.	5 "	231,300.00	231,300.00	.....	.....
Evansville, Terre Haute and Chicago Ry. Co., Consolidated Income	6 "	9,000.00	9,000.00	.....	.....
Indiana Block Coal Railroad Co. First Mortgage	7 "	295.65	10,500.00	.....	10,204.35
Equipment Bonds, Blair & Co. Series B.	5 "	31,533.31	42,833.33	.....	11,300.02
Equipment Bonds, Blair & Co. Series C.	4½ "	34,582.50	39,352.50	.....	4,770.00
Equipment Bonds, Blair & Co. Series D.	4½ "	9,787.50	11,137.50	.....	1,350 00
Equipment Bonds, Blair & Co. Series E	4½ "	89,576.37	99,719.61	.....	10,143.24
Equipment Bonds, Blair & Co. Series F.	4½ "	165,000.00	168,040.37	.....	3,040.37
Equipment Notes, American Car & Foundry Co, Series "G"	5 "	63,031.96	.....	63,031.96	.....
*Equipment Notes, American Car & Foundry Co.	4½ "	.....	.....	.....	.....
Miscellaneous Interest	.....	92,209.71	38,013.42	54,196.29	.....
Total C. & E. I. R. R. Co.	.....	$2,179,800.71	$2,081,698.57	$ 98,102.14	.....
Total interest.	.....	$8,298,552.89	$7,500,568.65	$ 797,984.24	.....

*Total interest included in notes was charged to Income Account in June, 1903.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

RENTALS ACCRUED.

YEAR ENDED JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

DESCRIPTION OF DEBT.	RATE.	AMOUNT. 1907-8.	AMOUNT. 1906-7.	INCREASE.	DECREASE.
The Kansas City, Fort Scott and Memphis Railway Company:					
Guaranteed interest—					
The K. C., F. S. and M. Ry. Co. Refunding Mortgage Bonds	4 %	$ 765,720.00	$ 765,720.00	.....	.....
K. C., F. S. and M. R. R. Co. Consolidated Bonds.	6 "	824,160.00	784,160.00	$ 40,000.00	.....
K. C., F. S. and G. R. R. Co. First Mortgage Bonds. ..	7 "	130,241.42	143,871.00	.....	$ 13,629.58
K. C., F. S. and G. R. R. Co. First Mortgage Extension Bonds	5 "	8,563.75	.....	8,563.75	.....
M., K. and C. R. R. Co. First Mortgage Bonds	7 "	34,440.00	34,440.00	.....	.....
K. and M. R. R. Co. First Mortgage Bonds	5 "	19,500.00	19,500.00	.....	.....
Ozark Equipment Company First Mortgage Bonds	5 "	15,658.34	20,666.66	.....	5,008.32
Ft. Scott Equipment Co. First Mortgage Bonds.....	6 "	4,020.00	6,000.00	.....	1,980.00
Current River Railroad Company First Mortgage Bonds	5 "	80,300.00	80,300.00	.....	.....
St. Charles Car Company Equipment Notes.....	5 "	150.10	300.20	.....	150.10
Pittsburg Locomotive Works Equipment Notes	5 "	631.24	1,136.25	.....	505.01
K. C. and M. Ry. and Bridge Co. First Mortgage Bonds	5 "	150,000.00	150,000.00	.....	.....
The K. C., F. S. and M. Ry. Co. Equipment Bonds, Series "A"	4½ "	42,412.50	48,262.50	.....	5,850.00
The K. C., F. S. and M. Ry. Co. Equipment Bonds, Series "B"	4½ "	59,306.49	65,864.45	.....	6,557.96
	.....	$ 2,135,103.84	$ 2,120,221.06	$ 14,882.78	.....
Rentals and sinking fund—					
Sinking Funds (Memphis Bridge Bonds $10,000.00, Equipment Notes $6,990.00)	.....	$ 16,990.00	$ 17,320.00	.....	$ 330.00
Rental of Tracks and Terminals—between Arcadia and Springfield	.....	.....	14,166.67	.....	14,166.67
Other Payments under Lease (Balance).....	.....	201,154.77	242,632.39	.....	41,477.62
	.....	$ 218,144.77	$ 274,119.06	.....	$ 55,974.29
Total	.....	$ 2,353,248.61	$ 2,394,340.12	.....	$ 41,091.51
Kansas City, Memphis and Birmingham Railroad Company:					
Guaranteed interest—					
General Mortgage Bonds	4	$ 132,935.60	$ 132,935.60	.....	.....
K. C., M. and B. R. R. Co. Income Bonds.....	5 "	296,163.99	296,163.97	$ .02	.....
	.....	$ 429,099.59	$ 429,099.57	$ .02	.....
Rentals—					
Rental of Tracks and Terminals—Holly Springs, Memphis, Birmingham and Cordova.....	.....	$ 19,796.75	$ 13,993.74	$ 5,803.01	.....
Total	.....	$ 448,896.34	$ 443,093.31	$ 5,803.03	.....
OTHER RENTALS.					
St. L. S.-W. Ry. of T., Trackage, Carrollton to Ft. Worth, Tex.	.....	$ 17,682.59	$ 16,419.73	$ 1,262.86	.....
Terminal Property Rentals, St. Louis, Mo.	.....	96,919.26	67,792.79	29,126.47	.....
H. and T. C. Ry., Trackage, Denison to Sherman, Texas...	.....	5,575.26	5,362.80	212.46	.....
Miscellaneous Property and Trackage Rentals.....	.....	178,327.17	234,294.99	.....	$ 55,967.82
Total	.....	$ 298,504.28	$ 323,870.31	.....	$ 25,366.03
Total St. L. and S. F. R. R	.....	$ 3,100,649.23	$ 3,161,303.74	.....	$ 60,654.51

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

RENTALS ACCRUED—Continued.

YEAR ENDED JUNE 30, 1908, COMPARED WITH PREVIOUS YEAR.

DESCRIPTION OF DEBT.	RATE.	AMOUNT. 1907-8.	AMOUNT. 1906-7.	INCREASE.	DECREASE.
Chicago and Eastern Illinois R. R. Company:					
Chicago and Western Indiana R. R., trackage, Dolton to Chicago, Ill.		$ 399,553.06	$ 264,591.51	$ 134,961.55	
Chicago Southern Ry., trackage, Starr to Brewer Junction, Ill.		7,700.00		7,700.00	
Chicago, Rock Island and Pacific Ry., trackage, La Salle St. Station, Chicago to Auburn Park, Ill.		60,959.23	57,005.82	3,953.41	
Chicago Junction Ry., trackage, Chicago		6,008.02	7,132.88		$ 1,124.86
Cleveland, Cincinnati, Chicago and St. Louis Ry., trackage, Pana to Granite City, Ill.		109,801.06	119,903.72		10,102.66
Terminal Railroad Association of St. Louis, trackage, Granite City to East St. Louis, Ill.		36,498.07	31,943.59	4,554.48	
Rock Island-Frisco Terminal Ry., Broadway Station, St. Louis, Mo.		26,022.87	7,671.11	18,351.76	
Evansville and Terre Haute R. R., trackage, Otter Creek Junction to Terre Haute, Ind.		3,948.51	3,000.00	948.51	
Illinois Central R. R., trackage, at Chicago and Thebes to Bridge Junction, Ill.		1,991.83	2,445.10		453.27
Southern Illinois and Missouri Bridge Co., trackage, Thebes, Ill., to Illmo, Mo.		30,321.90	31,150.09		828.19
St. Louis Southwestern Railway, trackage, Illmo to Rockview, Mo.		6,545.08	5,476.30	1,068.78	
St. Louis and San Francisco R. R., trackage, Chaffee to Rockview, Mo.		6,069.16	4,593.29	1,475.87	
Elgin, Joliet and Eastern Ry., trackage, Chicago Heights, Ill., to Whiting, Ind.		5,700.13	5,237.84	462.29	
Vandalia R. R., use of Terre Haute station.		560.99	233.47	327.52	
Lake Shore and Michigan Southern Ry., trackage, Grove St., Chicago.		445.92		445.92	
Pere Marquette R. R., La Crosse to Hanna and La Crosse to Wellsboro, Ind.		486.50	319.19	167.31	
Miscellaneous trackage rentals.		210.69	68.19	142.50	
Total C. & E. I. R. R.		$ 702,823.02	$ 540,772.10	$ 162,650.92	
Total Rentals		$ 3,803,472.25	$ 3,702,075.84	$ 101,396.41	

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9533

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING

JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

No.	Description of Debt	When Due.	Amount Outstanding. June 30th, 1908	Amount Outstanding. June 30th, 1907	Increase or Decrease.	Rate %	Annual Interest on Debt Outstanding June 30th, 1908. Amount.	Payable.
	St. Louis and San Francisco R. R. Co.							
1	Refunding Mortgage Bonds...	1951	$ 66,000,000.00	$ 64,000,000.00	$ 2,000,000.00	4	$ 2,640,000.00	Jan. 1, July 1
2	Consolidated Mortgage Bonds..	1996	1,558,000.00	1,558,000.00	.....	4	62,320.00	Jan. 1, July 1
3	Central Division 1st. Mortgage Bonds.....	1929	145,000.00	145,000.00	.....	4	5,800.00	Oct. 1, Apr. 1
4	Southwestern Division 1st. Mortgage Bonds.....	1947	829,000.00	829,000.00	.....	5	41,450.00	Apr. 1, Oct. 1
5	Northwestern Division 1st. Mortgage Bonds.....	1930	47,000.00	47,000.00	.....	4	1,880.00	Oct. 1, Apr. 1
6	Two and One-Half Year Gold Notes (New Issue).....	1909	313,000.00	6,500,000.00	*6,187,000.00*	5	.....	June 1, Dec. 1
7	Five Year Gold Notes	1908	7,124,900.00	7,124,900.00	.....	4½	*315,532.44	June 1, Dec. 1
	One Year Collateral Trust Notes	1908	.....	1,750,000.00	*1,750,000.00*	....	.....	.....
8	Seven Year Gold Notes.....	1912	4,000,000.00	4,000,000.00	.....	4½	180,000.00	Aug. 1, Feb. 1
9	Five Year Gold Notes of 1906 ..	1911	7,500,000.00	7,500,000.00	.....	5	375,000.00	July 1, Jan. 1
10	General Lien 15-20 Year Mortgage Bonds..... / General Lien 15-20 Year Mortgage Bonds—Reserved.....	1922 1927 / 1922 1927	11,773,655.87 / 5,735,387.94	..... /	11,773,655.87 / 5,735,387.94	5 / 5	..... /	May 1, Nov. 1 / May 1, Nov. 1
11	Ozark & Cherokee Central Ry. Co. 1st. Mortgage Bonds...	1913	2,880,000.00	2,880,000.00	.....	5	144,000.00	Apr. 1, Oct. 1
12	Muskogee City Bridge Co. 1st. Mortgage Bonds.....	1942	100,000.00	100,000.00	.....	5	5,000.00	Jan. 1, July 1
13	St. L., M. & S. E. R. R. Co. Five Year Gold Bonds.....	1909	15,529,928.93	15,505,932.20	23,996.73	4½	*695,546.42	Dec. 1, June 1
14	St. L., M. & S. E. R. R. Co. 1st. Mortgage Bonds.....	1952	365,625.00	389,750.00	*24,125.00*	4	*14,600.00	July 1, Jan. 1
15	Pemiscot R. R. 1st. Mortgage Bonds	1914	54,000.00	54,000.00	.....	6	3,240.00	Apr. 1, Oct. 1
16	Kennett & Osceola R. R. 1st. Mortgage Bonds.....	1917	65,000.00	65,000.00	.....	6	3,900.00	Dec. 1, June 1
17	Southern Missouri & Arkansas R. R. 1st. Mortgage Bonds...	1939	4,500.00	6,000.00	*1,500.00*	5	225.00	Jan. 1, July 1
	St. Louis and San Francisco Ry. Co.							
18	Missouri & Western Division 1st. Mortgage Bonds.....	1919	119,000.00	119,000.00	.....	6	7,140.00	Feb. 1, Aug. 1
19	Trust Mortgage Bonds of 1880..	1920	195,000.00	195,000.00	.....	6	11,700.00	Feb. 1, Aug. 1
20	Trust Mortgage Bonds of 1887..	1987	439,000.00	439,000.00	.....	5	21,950.00	Apr. 1, Oct. 1
21	General Mortgage Bonds.....	1931	3,681,000.00	3,681,000.00	.....	6	220,860.00	Jan. 1, July 1
22	General Mortgage Bonds	1931	5,803,000.00	5,803,000.00	.....	5	290,150.00	Jan. 1, July 1
23	St. Louis, Wichita & Western Ry. Co. 1st. Mortgage Bonds..	1919	304,000.00	304,000.00	.....	6	18,240.00	Mch. 1, Sept. 1
24	Ft. Smith & Van Buren Bridge Co. 1st. Mortgage Bonds. ...	1910	59,000.00	59,000.00	.....	6	3,540.00	Apr. 1, Oct. 1
	Total.....	....	$134,624,997.74	$123,054,582.20	$ 11,570,415.54	..	$ 5,062,073.86	
	Leasehold Estate (The K. C., F. S. and M. Ry.)							
25	The K. C., F. S. & M. Ry. Co. Refunding Mortgage Bonds..	1936	$ 20,816,000.00	$ 20,015,000.00	$ 801,000.00	4	$ *765,720.00	Apr. 1, Oct. 1
	K. C., F. S. & G. R. R. Co. 1st. Mortgage Bonds.....	1908	.....	2,056,300.00	*2,056,300.00*	7	....	.....
26	K. C., F. S. & G. R. R. Co. Extended 1st. Mortgage Bonds..	1911	2,055,300.00	.....	2,055,300.00	5	102,765.00	Dec. 1, June 1
27	Memphis, Kansas & Colorado Ry. Co. 1st. Mortgage Bonds	1910	492,000.00	492,000.00	.....	7	34,440.00	Mch. 1, Sept. 1
28	Kansas & Missouri R. R. Co. 1st. Mortgage Bonds.....	1922	390,000.00	390,000.00	.....	5	19,500.00	Feb. 1, Aug. 1
29	K. C., F. S. & M. R. R. Co. Consolidated Mortgage Bonds	1928	13,736,000.00	13,736,000.00	.....	6	824,160.00	May 1, Nov. 1
30	Current River R. R. Co. 1st. Mortgage Bonds.....	1927	1,606,000.00	1,606,000.00	.....	5	80,300.00	Apr. 1, Oct. 1
	Total.....	....	$ 39,095,300.00	$ 38,295,300.00	$ 800,000.00	..	$ 1,826,885.00	

Figures in italics denote decrease.
*Excludes interest on bonds and notes in treasury.

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING

JUNE 30th, 1908, COMPARED WITH PREVIOUS YEAR.

No.	Description of Debt.	When Due.	Amount Outstanding. June 30th, 1908	Amount Outstanding. June 30th, 1907	Increase or Decrease.	Rate %	Annual Interest on Debt Outstanding June 30th, 1908. Amount.	Payable.
	Leasehold Estate (K. C., M. and B. R. R.)							
31	K. C., M. & B. R. R. Co. General Mortgage Bonds...	1934	$ 3,323,390.00	$ 3,323,390.00	.....	4	$ 132,935.60	Mch. 1, Sept. 1
32	K. C., M. & B. R. R. Co. Income Bonds	1934	5,923,280.00	5,923,280.00	.....	5	296,164.00	Mch. 1, Sept. 1
33	K. C., M. & B. R. R. Co. Ten-Year Coupon Extension Notes	....	750.00	750.00	.....	....	.....	.....
	Total	....	$ 9,247,420.00	$ 9,247,420.00	.....	....	$ 429,099.60	
	Auxiliary Companies.							
34	Kansas City and Memphis Ry. and Bridge Co. First Mortgage Bonds	1929	$ 3,000,000.00	$ 3,000,000.00	.....	5	$ 150,000.00	Apr. 1, Oct. 1
35	Birmingham Belt R. R. Co. First Mortgage Bonds	1922	1,000,000.00	1,000,000.00	.....	4	40,000.00	Apr. 1, Oct. 1
36	Ft. Worth and Rio Grande Ry. Co. First Mortgage Bonds.	1928	2,923,000.00	2,923,000.00	.....	4	116,920.00	Jan. 1, July 1
	Total	....	$ 6,923,000.00	$ 6,923,000.00	.....	....	$ 306,920.00	
	Total St. L. & S. F. R. R. Co.	....	$189,890,717.74	$177,520,302.20	$ 12,370,415.54		$ 7,624,978.46	
	Chicago and Eastern Illinois Railroad Company.							
37	Refunding and Improvem't Mtg. First Mortgage Sinking Fund Bonds, including Sinking Fund Debt.....	1955	$ 10,107,000.00	$ 8,897,000.00	$ 1,210,000.00	4	$ *250,000.00	Jan. 1, July 1
	Indiana Block Coal R. R. Co. First Mortgage	1907	.....	2,935,000.00	*2,935,000.00*	6	.....	.....
38	Danville and Grape Creek R. R. Co. First Mortgage...	1908	.....	150,000.00	*150,000.00*	7	.....	.....
39	Evansville, Terre Haute and Chicago Ry. Income	1920	97,000.00	97,000.00	.....	6	5,820.00	May 1, Nov. 1
40	First Mortgage Extension.....	1920	150,000.00	150,000.00	.....	6	*8,880.00	May 1, Nov. 1
41	First Consolidated Mortgage ..	1931	91,000.00	91,000.00	.....	6	5,460.00	June 1, Dec. 1
42	Chicago and Indiana Coal Ry. First Mortgage	1934	2,736,000.00	2,788,000.00	*52,000.00*	6	164,160.00	Apr. 1, Oct. 1
43	Sinking Fund Collateral Trust.	1936	4,626,000.00	4,626,000.00	.....	5	231,300.00	Jan. 1, July 1
44	General Consolidated and First Mortgage	1912	27,000.00	42,000.00	*15,000.00*	6	1,620.00	Feb. 1, Aug. 1
	Total C. & E. I. R. R. Co.....	1937	19,735,000.00	17,808,000.00	1,927,000.00	5	986,750.00	May 1, Nov. 1
		....	$ 37,569,000.00	$ 37,584,000.00	$ *15,000.00*	....	$ 1,653,990.00	
	Grand total	....	$227,459,717.74	$215,104,302.20	$ 12,355,415.54	....	$ 9,278,968.46	
	BONDS OF OTHER COMPANIES GUARANTEED.							
45	Kansas City, Clinton and Springfield Ry. First Mortgage 5s.	1925	$ 3,274,000.00	$ 3,192,000.00	.....	5	$ 159,600.00	Apr. 1, Oct. 1
46	Kansas City Belt Ry. Co. First Mortgage 6s.	1916	534,000.00	534,000.00	.....	6	32,040.00	Jan. 1, July 1
47	New Orleans Terminal Co. First Mortgage Fifty-Year Gold 4s	1953	† 14,000,000.00	† 14,000,000.00	.....	4	560,000.00	Jan. 1, July 1
48	Birmingham Terminal Co. First Mortgage 4s.....	1957	250,000.00	198,333.33	$ 51,666.67	4	10,000.00	Mch. 1, Sept. 1
49	Rock Island-Frisco Terminal Ry. Co. First Mortgage 5s ..	1927	¶ 3,000,000.00	¶ 3,000,000.00	.....	5	150,000.00	Jan. 1, July 1

*Excludes interest on bonds in treasury.
†Also guaranteed by Southern Railway Co. jointly with this company.
¶Also guaranteed by The Chicago, Rock Island and Pacific Railway Co., jointly with this Company.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

EQUIPMENT BONDS AND NOTES OUTSTANDING JUNE 30th, 1908,

COMPARED WITH PREVIOUS YEAR, AND INTEREST THEREON.

No.	Description of Debt.	When Due.	Amount Outstanding. June 30th, 1908	Amount Outstanding. June 30th, 1907	Increase or Decrease.	Rate %	* Annual Interest on Debt Outstanding June 30th, 1908. Amount.	Payable.
	St. Louis and San Francisco R. R. Co.							
50	Blair & Company, Series "A" Notes	1911	$ 459,000.00	$ 590,000.00	$ *131,000.00*	4	$ 16,603.33	June 1, Dec. 1
51	R. Winthrop & Co., Series "B" Notes	1912	560,000.00	684,000.00	*124,000.00*	4	19,053.33	Feb. 1, Aug. 1
52	R. Winthrop & Co., Series "C" Notes	1912	450,000.00	550,000.00	*100,000.00*	4	16,333.33	May 1, Nov. 1
53	American Car & Foundry Co., Series "D" and "E" Notes	1913	700,804.13	847,065.05	*146,260.92*	5	36,869.88	Monthly
54	Blair & Company, Series "F" Bonds	1910	464,000.00	696,000.00	*232,000.00*	5	18,850.00	Jan. 1, April 1 / July 1, Oct. 1
55	Blair & Company, Series "G" Notes	1916	2,464,000.00	2,772,000.00	*308,000.00*	4½	103,950.00	Apr. 1, Oct. 1
56	Blair & Company, Series "H" Notes	1913	330,000.00	405,000.00	*75,000.00*	5	15,250.00	May 1, Nov. 1
57	American Car & Foundry Co., Series "I" Notes	1917	2,840,000.00	2,477,000.00	363,000.00	5,	137,725.00	Jan. 1, July 1
58	Pullman Company, Series "J" Notes	1916	165,198.66	185,222.74	*20,024.08*	5	6,464.26	Dec. 20, Mch. 20 / June 20, Sep. 20
59	American Car & Foundry Co., Series "K" Notes	1917	321,000.00	359,000.00	*38,000.00*	5	15,000.00	Sept. 1, Mch. 1
60	American Car & Foundry Co., Series "L" Notes	1917	4,812,000.00	.....	4,812,000.00	5	223,220.83	Feb. 1, Aug. 1
61	Pullman Company, Series "M" Notes	1917	1,004,579.40	.....	1,004,579.40	5	38,122.94	Feb. 15, May 15 / Aug. 15, Nov. 15
62	Provident Life & Trust Co., Series "O" Certificates	1918	669,000.00	.....	669,000.00	6	37,250.00	July 15, Jan. 15
	Leasehold Estate (The K. C., F. S. and M. Ry.)							
63	Ft. Scott Equipment Co., 1st. Mortgage Bonds	1909	67,000.00	100,000.00	*33,000.00*	6	2,040.00	Jan. 1, July 1
64	Ozark Equipment Co., 1st. Mortgage Bonds	1910	232,000.00	342,000.00	*110,000.00*	5	10,616.67	May 1, Nov. 1
65	St. Charles Car Co. and Pittsburg Locomotive Works Notes	1908	10,100.00	23,202.00	*13,102.00*	5	126.25	Jan. 1, July 1 / Apr. 1, Oct. 1
66	Blair & Company, Series "A" Bonds	1915	845,000.00	975,000.00	*130,000.00*	4½	36,562.50	Jan. 1, July 1
67	Blair & Company, Series "B" Bonds	1915	1,275,000.00	1,445,000.00	*170,000.00*	4½	52,275.00	Feb. 1, Aug. 1
	Total St. L. & S. F. R. R. Co.	.....	$ 17,668,682.19	$ 12,450,489.79	$ 5,218,192.40	....	$ 786,313.32	
	Chicago and Eastern Illinois R. R. Co.							
68	Blair & Company, Equipment Bonds, Series "B"	1910	$ 513,000.00	$ 734,000.00	$ *221,000.00*	5	$ 20,233.33	Mar. 1, Sept. 1
69	Blair & Company, Equipment Bonds, Series "C"	1915	742,000.00	848,000.00	*106,000.00*	4½	29,812.50	Jan. 1, July 1
70	Blair & Company, Equipment Bonds, Series "D"	1915	210,000.00	240,000.00	*30,000.00*	4½	8,437.50	Jan. 1, July 1
71	American Car & Foundry Co. Car Trust Notes	1913	611,405.44	742,463.20	*131,057.76*	4½	Interest included in principal.	
72	Blair & Company, Equipment Bonds, Series "E"	1915	1,875,000.00	2,125,000.00	*250,000.00*	4½	76,875.00	Feb. 1, Aug. 1
73	Blair & Company, Equipment Bonds, Series "F"	1916	3,520,000.00	3,960,000.00	*440,000.00*	4½	145,200.00	Feb. 1, Aug. 1
74	American Car & Foundry Co., Equipment Notes, Series "G"	1917	2,356,000.00	.....	2,356,000.00	5	111,600.00	Apr. 1, Oct. 1
	Total C. & E. I. R. R. Co.	.....	$ 9,827,405.44	$ 8,649,463.20	$ *1,177,942.24*	....	$ 392,158.33	
	Grand total	.....	$ 27,496,087.63	$ 21,099,952.99	$ 6,396,134.64	....	$ 1,178,471.65	

Figures in italics denote decrease.

* Interest on equipment notes represents actual payments accruing during ensuing year. The principal of some of the notes matures and interest ceases.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

4874

9537

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

1. **Refunding Mortgage Gold Bonds.**

Morton Trust Co., New York, Trustee and Registrar. Interest 4%, payable at Morton Trust Co., New York.

Dated, July 1, 1901. Payable, July 1, 1951.

Coupon bonds are for $1,000 each, registerable as to principal only. Registered bonds are for $1,000, $5,000 and $10,000 each. Coupon and registered bonds are interchangeable.

Amount authorized, $85,000,000, of which amount $62,500,000 were reserved to be issued in exchange for underlying bonds and for refunding purposes, and the remaining $22,500,000 were reserved to provide for improvements, betterments and new equipment, and for additional lines and extensions, as provided for in the mortgage. $66,000,000 were issued and outstanding at June 30, 1908.

These bonds are secured by the entire issue of first mortgage bonds on the road between Sapulpa, Okla., and Ft. Worth, Tex., 256.85 miles, and equipment; Kansas City Division, Kansas City to Bolivar, Mo., 146.90 miles, and equipment; Blackwell, Okla., to Vernon, Tex., 251.43 miles, and equipment; Oklahoma City, Okla., to Quanah, Tex., 183.53 miles, and equipment; Brownwood to Brady, Tex., 49.72 miles, and equipment; Scullin to Sulphur Springs, Okla., 8.72 miles; together 897.15 miles; also a mortgage on 1,707.27 miles and equipment, subject to $35,531,000 of underlying bonds, of which, however, $19,429,000 have been deposited under the mortgage.

For stocks pledged under the mortgage, see page 28.

2. **Consolidated Mortgage Gold Bonds.**

The Mercantile Trust Co., New York, Trustee and Registrar. Interest 4%, payable at The Mercantile Trust Co., New York.

Dated, July 1, 1896. Payable, July 1, 1996.

Coupon bonds are for $1,000 each, registerable as to principal only.

Amount authorized, $50,000,000, of which $39,032,000 were appropriated and set aside to provide at maturity, or before, for prior lien bonds.

$8,541,000 of these bonds were issued, of which $6,983,000 have been retired and cancelled.

The security for these bonds consists of a first mortgage on the Salem Branch, Cuba to Salem, Mo., and branches, 52.69 miles and its equipment; Winkler Branch Extension, Winkler to DeCamp, Mo., 6.85 miles; Beaumont Branch, Beaumont, Kas., to Blackwell, Okla., 79.73 miles; Arkansas and Oklahoma R. R., Rogers, Ark., to Grove, Okla., 47.16 miles; Oklahoma City Terminal Ry., 1.50 miles; together 187.93 miles; also a first mortgage on certain equipment purchased since July 1st, 1896; a second mortgage on 1,884.35 miles and equipment thereon; and a third mortgage on 327.54 miles and equipment thereon, together 2,399.82 miles. These bonds are further secured by the pledge of $475,000 first mortgage bonds (as more fully set forth on page 28) of a total authorized issue of $1,400,000, the entire issue of said bonds being secured in the manner explained under the head of Trust Mortgage of 1880 Gold 6s.

3. **Central Division First Mortgage Gold Bonds.**

The New York Trust Co., New York, Trustee and Registrar. Interest 4%, payable at The Mercantile Trust Co., New York.

Dated, April 1, 1899. Payable, April 1, 1929.

Coupon bonds are for $1,000 each, registerable as to principal only.

Amount authorized, $3,462,000; issued, $1,962,000, of which $1,817,000 have been acquired and pledged under the refunding mortgage, without impairment of lien.

Bonds are a first lien on road from Sapulpa to Oklahoma City, Okla., 103.26 miles.

Bonds redeemable at 102½ and interest, at the option of this Company, on any half-yearly interest day, on three months' notice.

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

4.	ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Continued. **Southwestern Division First Mortgage Gold Bonds.** Central Trust Co., of New York, Trustee and Registrar. Interest 5%, payable at The Mercantile Trust Co., New York. Dated, October 1, 1897. Payable October 1, 1947. Coupon bonds are for $500 and $1,000 each, registerable as to principal only. Amount authorized and issued, $1,500,000, of which $671,000 have been acquired and placed under the refunding mortgage, without impairment of lien. These bonds are a first lien on road, Seneca, Mo., to Sapulpa, Okla., 112.05 miles (formerly Atlantic & Pacific R. R., Central Division). Bonds are subject to redemption at par, at the option of this Company, on any half-yearly interest day, on six months' notice.
5.	**Northwestern Division First Mortgage Gold Bonds.** The New York Trust Co., New York, Trustee and Registrar. Interest 4%, payable at The Mercantile Trust Co., New York. Dated, April 1, 1900. Payable April 1, 1930. Coupon bonds are for $500 and $1,000 each, registerable as to principal only. Amount authorized and issued, $1,300,000, of which $1,253,000 have been acquired and placed under the refunding mortgage, without impairment of lien. These bonds are a first lien on road, Wichita to Ellsworth, Kas., 106.4 miles (formerly Kansas Midland Ry.) Bonds redeemable at 102½ and interest, at the option of this Company on any half-yearly interest day, on three months' notice.
6.	**Two and One-Half Year Gold Notes.** Bankers Trust Co., New York, Trustee. Interest 5%, payable at Bankers Trust Co., New York. Dated, December 1, 1906. Payable, June 1, 1909. Amount authorized and issued, $6,500,000, of which $6,187,000 have been acquired and placed under the General Lien Mortgage. Secured by deposit in trust of all of the capital stock of St. Louis & Gulf Railway Company ($6,000,000), all the capital stock of the St. Louis, Memphis & Southeastern Railroad Company ($12,500,000), and $1,606,730.11 five per cent. promissory notes of the St. Louis, Memphis & Southeastern Railroad Company. Notes are redeemable at par and interest on 90 days' notice.
7.	**Five-Year Gold Notes.** The Trust Co. of America, New York, Trustee. Interest 4½%, payable at The Trust Co. of America, New York. Dated, December 1, 1903. Payable, December 1, 1908. Amount authorized, $9,160,000, of which $7,124,900 have been issued in exchange for all of the guaranteed preferred stock of the St. Louis, San Francisco and New Orleans Railroad Company, ($1,060,000), and all of the New Orleans Extension purchase money collateral trust 4% bonds, ($6,487,000), of the St. Louis and San Francisco Railroad Company; all of which have been deposited under the trust agreement of November 28th, 1903. No more of these notes will be issued. All of the first mortgage bonds of the St. Louis, San Francisco and New Orleans Railroad Company ($6,487,000), which are a first lien on the road from Ardmore, Okla., to Hope, Ark., 223.50 miles, and from Mead Junction to Platter, Okla., 9.24 miles, together with the total issue of outstanding common stock ($6,021,000), are pledged under New Orleans Extension Purchase Money Collateral Trust Agreement, making the latter a first collateral lien.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Continued.

Seven-Year Gold Notes.

8. Bankers Trust Co., New York, Trustee and Registrar. Interest 4½%, payable at Bankers Trust Co., New York.

Dated, February 1, 1905. Payable, February 1, 1912.

Notes are for $1,000 each, registerable as to principal only.

Amount authorized, $4,500,000, of which $4,000,000 have been issued.

These notes are secured by deposit in trust of the entire issues of $4,500,000 stock and $4,500,000 first mortgage bonds of the Arkansas Valley & Western Ry. Co., which cover road, A. V. & W. Junction to Avard, Okla., 175.25 miles, and equipment thereon.

No more of these notes will be issued.

Five-Year Gold Notes of 1906.

9. The New York Trust Co., New York, Trustee. Interest 5%, payable at The New York Trust Co., New York.

Dated, January 1, 1906. Payable, January 1, 1911.

Amount authorized and issued, $7,500,000, secured by deposit with trustee of all of the capital stock ($2,000,000, less $6,000 held by directors) and $8,500,000 first mortgage 4½ per cent. bonds of the Colorado Southern, New Orleans & Pacific Railroad, covering road now under construction.

Notes are redeemable on any interest day at par and accrued interest, on fifteen days' notice.

General Lien 15-20 Year Gold Bonds.

10. Bankers Trust Co., New York, and N. A. McMillan, St. Louis, Trustees. Bankers Trust Co., New York, Registrar. Interest 5%, payable at Bankers Trust Co., New York.

Dated May 1, 1907. Payable May 1, 1927.

Coupon bonds are for $1,000 each, registerable as to principal only. Registered bonds are for $1,000 and $5,000 each. Coupon and registered bonds are interchangeable.

Amount authorized, $115,000,000 (since limited to $112,994,000), of which $10,000,000 were issued for capital expenditures made during the fiscal year ended June 30, 1907, and for additions, improvements and betterments to be made thereafter; $53,214,000 were reserved to be exchanged for underlying bonds and for refunding purposes; $16,539,000 were reserved for the retirement of equipment trust obligations; $28,241,000 are reserved for additions and improvements to be made after June 1, 1909, and to be issued in amounts not to exceed $2,500,000 in any one fiscal year until June 30, 1911, and after that date to be issued in amounts not to exceed $3,000,000 in any one fiscal year, and $5,000,000 are reserved to be issued in amounts not exceeding in the aggregate, $1,000,000 per annum after June 1, 1909, for construction, purchase or acquisition of additional lines of railroad or branches.

Amount issued at June 30, 1908, $17,509,043.81.

For securities pledged under mortgage, see pages 28 and 29.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Continued.

Ozark and Cherokee Central Railway Company First Mortgage Gold Bonds.

The New York Trust Co., New York, Trustee and Registrar. Interest 5%, payable at The Mercantile Trust Co., New York.

Dated, October 1, 1903. Payable, October 1, 1913.

11. Coupon bonds are for $1,000 each, registerable as to principal only.
Amount authorized, $3,000,000, of which $2,880,000 have been issued and $120,000 reserved for the acquisition of Muskogee City Bridge Co. first mortgage 5 per cent. gold bonds.
These bonds are guaranteed by the St. L. & S. F. R. R. Co., and are a first mortgage on road from Fayetteville, Ark., to Okmulgee, Okla. (exclusive of bridge across Arkansas River), 143.65 miles, and equipment thereon.
Bonds redeemable at par and interest, at the option of the company, on any half-yearly interest day, on three months' notice.

Muskogee City Bridge Company First Mortgage Gold Bonds.

St. Louis Union Trust Co., St. Louis, Trustee and Registrar. Interest 5%, payable at St. Louis Union Trust Co., St. Louis.

Dated, June 1, 1902. Payable, July 1, 1942.

12. Coupon bonds are for $1,000 each, registerable as to principal only.
Amount authorized and issued, $100,000.
Mortgage is a first lien on bridge and approaches, between Muskogee, and Ft. Gibson, Okla., 0.25 miles.
Bonds redeemable at 105 and accrued interest, after June 1, 1907, on any interest day, on three months' notice.

St. Louis, Memphis and Southeastern Railroad Company Five Year Gold Bonds.

The New York Trust Co., New York, Trustee and Registrar. Interest 4½%, payable at The Mercantile Trust Co., New York.

Dated, June 1, 1904. Payable, June 1, 1909.

Coupon bonds are for $1,000 each, registerable as to principal only.
13. Amount authorized, $16,000,000, of which $15,529,928.93 have been issued, and $470,071.07 are held in trust to take up underlying lien bonds.
These bonds are secured by the pledge of $5,852,000 St. Louis and Gulf Ry. Co. first mortgage 4 per cent. bonds, and $8,817,000 St. L. M. & S. E. R. R. Co. first mortgage 4 per cent. bonds, and cover the entire mileage of the St. Louis, Memphis & Southeastern R. R., 665.20 miles, and equipment thereon, and are a first mortgage subject, to $489,125 of underlying lien bonds still outstanding, as indicated in Nos. 14 to 17, inclusive. Bonds are redeemable at par and accrued interest, on sixty days' notice, and are guaranteed principal and interest by the St. L. and S. F. R. R. Co.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Continued.

St. Louis, Memphis and Southeastern Railroad Company First Mortgage Gold Bonds.

Old Colony Trust Co., Boston, Trustee. Interest 4%, payable at The Mercantile Trust Co., New York. Company's Office, 115 Broadway, New York, Registrar.

Dated, January 1, 1902. Payable, January 1, 1952.

Coupon bonds are for $1,000 each, registerable as to principal only.

14. Amount authorized, $13,000,000. Amount issued, $9,188,500, of which $8,817,000 have been exchanged for St. Louis, Memphis and Southeastern Railroad Company Five Year Gold Bonds, $145,875 are in trust for acquisition of $140,000 Chester, Perryville & Ste. Genevieve Ry. Co. first mortgage bonds, and $4,500 of Southern Missouri & Arkansas R. R. Co. first mortgage bonds still outstanding. These bonds are a first lien on the road from Southeast Junction, to Cape Girardeau, Mo., 123.50 miles; Shepley, Mo., to Luxora, Ark., 110.00 miles; Hayti, to Grassy Bayou, Mo., 15.70 miles; Mirgo, Mo., to Hoxie, Ark., 82.00 miles; Talipoosa, to Wardell, Mo., 10.70 miles; together 341.90 miles. Bonds are redeemable at 105 and accrued interest, on any interest day, on three months notice.

Pemiscot Railroad First Mortgage Gold Bonds.

St. Louis Union Trust Co., St. Louis, Trustee, Interest 6%, payable at St. Louis Union Trust Co., St. Louis.

Dated, October 1, 1894. Payable, October 1, 1914.

15. Amount authorized and issued, $150,000, of which $96,000 have been redeemed, and are pledged as security for the St. Louis and Gulf Ry. Co. first mortgage bonds, which latter are pledged under the St. L., M. & S. E. R. R. Co. five year mortgage. These bonds are a first lien on the road from Hayti, to Kennett, Mo., 18.30 miles.

Kennett and Osceola Railroad First Mortgage Gold Bonds.

St. Louis Union Trust Co., St. Louis, Trustee. Interest 6%, payable at St. Louis Union Trust Co., St. Louis.

Dated, April 19, 1897. Payable, April 19, 1917.

16. Amount authorized and issued, $80,000, of which $15,000 have been redeemed, and are pledged as security for the St. Louis and Gulf Ry. Co. first mortgage bonds, which latter are pledged under the St. L., M. & S. E. R. R. Co. five year mortgage. These bonds are a first lien on the road from Kennett, Mo., to State Line, 19.30 miles.

Southern Missouri and Arkansas Railroad First Mortgage Gold Bonds.

Irving M. Dittenhoefer, New York, and Roderick E. Rombauer, St. Louis, Trustees. Interest 5%, payable at Knickerbocker Trust Co., New York.

Dated, July 1, 1899. Payable, July 1, 1939.

17. Amount authorized and issued, $1,975,000, of which $1,970,500 have been redeemed, and are pledged under the mortgage described in section 13 hereof. These bonds are a first lien on the road from Cape Girardeau to Hunter, Mo., 93.00 miles.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Continued.

ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY.

Missouri and Western Division First Mortgage Gold Bonds.

G. A. Wurdeman, Clayton, Mo., Trustee. Interest 6%, payable at The Mercantile Trust Co., New York.
The Mercantile Trust Co., New York, Registrar.
Dated, August 1, 1879. Payable, August 1, 1919.

18. Coupon bonds are for $1,000 each registerable as to principal only.
Amount authorized and issued, $1,100,000, of which $119,000 have been retired and cancelled, and $1,000 called for redemption through operation of sinking fund, and $866,000 have been acquired and pledged under the refunding mortgage without impairment of lien.
Mortgage is first lien on road, Peirce City, Mo., to Oswego, Kas., 72.91 miles, Oronogo to Joplin, Mo., 9.32 miles, together 82.23 miles, and equipment thereon.
Commencing with year 1884, bonds to the amount of $5,000 per annum became subject to redemption under provision of the mortgage at 105 and interest.

Trust Mortgage Gold Bonds of 1880.

United States Trust Co., of New York, Trustee. Interest 6%, payable at United States Trust Co., of New York.
The Mercantile Trust Co., New York, Registrar.
Dated, August 1, 1880. Payable, August 1, 1920.

Coupon bonds are for $1,000 each registerable as to principal only.

19. Amount authorized $2,500,000, of which $1,350,000 have been issued; $425,000 were retired and cancelled through operation of sinking fund, and $731,000 have been acquired and pledged under the refunding mortgage, without impairment of lien.
Secured by deposit in trust of $925,000 first mortgage 7 per cent. bonds, out of a total issue of $1,400,000, on roads, Plymouth (Monett), Mo., to Fayetteville, Ark., 71.18 miles; Carl Junction, Mo., to Girard, Kas., 29.14 miles; and Litchfield Junction to Litchfield, Kan. (Carbon Branch), .50 miles; together 100.82 miles.
Sinking fund consists of difference between interest on the $925,000 of first mortgage sevens and that on the trust mortgage sixes outstanding.

Trust Mortgage Gold Bonds of 1887.

Union Trust Co., of New York, Trustee. Interest 5%, payable at Union Trust Co., of New York.
The Mercantile Trust Co., New York, Registrar.
Dated, October 1, 1887. Payable, October 1, 1987.

Coupon bonds are for $1,000 each, registerable as to principal only.

20. Authorized issue limited not to exceed $20,000 per mile of newly constructed or acquired roads and equipment connecting with the main system. Total issue $1,099,000 of which $660,000 have been acquired and pledged under the refunding mortgage, without impairment of lien. Secured by deposit in trust of all first mortgage bonds, and not less than a majority of the capital stock of such roads.
Roads now are, Springfield, Mo., Belt Line, 3.18 miles; Red River, Okla., to Paris, Texas, 16.94 miles; Jenson to Mansfield, Ark., 18.34 miles; Powell to St. Paul, Ark., 7.68 miles; Pittsburg to Weir City, Kas., 10.48 miles; St. Paul to Pettigrew, Ark., 8.03 miles; together 64.65 miles.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Concluded.

ST. LOUIS AND SAN FRANCISCO RAILWAY COMPANY.

General Mortgage Gold Bonds.

United States Trust Co., of New York, Trustee. Interest 6%, payable at The Mercantile Trust Co., New York.

The Mercantile Trust Co., New York, Registrar.

Dated, July 1, 1881. Payable, July 1, 1931.

21. Coupon bonds are for $1,000 each, registerable as to principal only.

22. Both classes issued under one and the same mortgage, and equally secured. Total amount authorized, $30,000,000, total issued $20,100,000 of which, $10,614,000 have been acquired and pledged under the refunding mortgage, without impairment of lien, and $2,000 have been purchased and cancelled.

These bonds are a first lien on the following lines: St. Louis to Seneca, Mo., including Granby Branch, 327.78 miles; Springfield to Bolivar, Mo., 38.79 miles; Springfield to Chadwick, Mo., 34.86 miles; Fayetteville, Ark., to Red River (exclusive of bridge across Arkansas River), 214.61 miles; Fayetteville to Powell, Ark., 25.61 miles; Joplin, Mo., to Galena, Kas., and Belt Line, Joplin, 10.59 miles; Joplin to Carl Junction, Mo., 6.70 miles; total, 658.94 miles; they are also a second lien on 327.54 miles of additional line; in all, 986.48 miles, and certain equipment thereon.

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St. Louis, Wichita and Western Railway Company First Mortgage Gold Bonds.

G. A. Wurdeman, Clayton, Mo., Trustee. Interest 6%, payable at The Mercantile Trust Co., New York.

The Mercantile Trust Co., New York, Registrar.

Dated, September 1, 1879. Payable, September 1, 1919.

23. Coupon bonds are for $1,000 each, registerable as to principal only.

Amount authorized and issued, $2,000,000, of which $1,696,000 have been acquired and pledged under refunding mortgage, without impairment of lien.

These bonds are secured by a first lien on the road, Oswego to Wichita, Kas., 144.49 miles.

Under provision contained in the mortgage, these bonds are redeemable at 105 and interest.

Fort Smith and Van Buren Bridge Company First Mortgage Gold Bonds.

The Mercantile Trust Co., New York, Trustee and Registrar. Interest 6%, payable at The Mercantile Trust Co., New York.

Dated, April 1, 1885. Payable, April 1, 1910.

Coupon bonds are for $1,000 each, registerable as to principal only.

24. Authorized issue, $500,000; originally issued, $475,000, of which $289,000 have been retired and cancelled through operation of sinking fund, and $127,000 are pledged under the refunding mortgage without impairment of lien.

Under provision of the mortgage, in April of each year (commencing in 1890), five per cent. of bonds issued and outstanding are, if not purchased, to be drawn for payment, at 105 and interest, and cancelled, and any and all are subject to redemption by lot at 110 and interest at any time before maturity.

Length of bridge, 0.34 of a mile.

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

LEASEHOLD ESTATE (THE K. C. F. S. & M. RY.)

The Kansas City, Fort Scott and Memphis Railway Company Refunding Mortgage Gold Bonds.

The Mercantile Trust Co., New York, Trustee and Registrar. Interest 4%, payable at The Mercantile Trust Co., New York.

Dated, October 1, 1901. Payable, October 1, 1936.

Coupon bonds are for $1,000 each, registerable as to principal only. Registered bonds are for $1,000, $5,000 and $10,000 each. Coupon and registered bonds are interchangeable.

25. Amount authorized, $60,000,000, of which amount $20,816,000 have been issued. $34,025,770 of these bonds were originally reserved to be issued in exchange for underlying bonds and for refunding purposes, and the remainder were reserved to provide for improvements, betterments and new equipment and for additional lines, extensions and terminals, as provided for in the mortgage.

These bonds are at present a first mortgage on 114.10 miles of main track and equipment, and certain real estate in Kansas City, Mo., and coal spur to New Home Coal Co.'s plant at New Home Jct., Mo., 3.56 miles; a second mortgage on 560.41 miles and equipment thereon, and a third mortgage on the 235.89 additional miles and equipment thereon. They are also secured by deposit of stocks and bonds, as set forth on pages 28 and 29.

Kansas City, Fort Scott and Gulf Railroad Company Extended First Mortgage Bonds.

Nathaniel Thayer, Boston, Trustee. Interest 5%, payable at Old Colony Trust Co., Boston.

Dated, June 2, 1879. Payable, June 1, 1908, but extended to June 1, 1911.

Amount authorized and issued, $4,000,000. $1,944,700 of these bonds have been retired and cancelled
26. from the net proceeds of land sales.

These bonds are a first mortgage on the main line from Kansas City, Mo., to Baxter, Kas., 159.92 miles, and lands in the State of Kansas.

Net proceeds of land sales constitute a sinking fund for the redemption of these bonds at 110 flat, as often as such accumulation shall amount to $50,000.

Memphis, Kansas and Colorado Railway Company First Mortgage Bonds.

Nathaniel Thayer, Boston, Trustee. Interest 7%, payable at Old Colony Trust Co., Boston.

Old Colony Trust Co., Boston, Registrar.

Dated March 1, 1884. Payable September 1, 1910.

Coupon bonds are for $1,000 each, registerable as to principal only.

27. Mortgage provides for an issue of not more than $15,000 per mile of road. Amount issued, $585,000, of which $93,000 were exchanged in the year 1889 for a like amount of Kansas City, Ft. Scott & Memphis R. R. Co. consolidated mortgage 6 per cent. bonds.

These bonds are a first mortgage on line from Cherryvale, east through Cherokee, Kas., to Weir City, Kas., 49.79 miles.

Kansas and Missouri Railroad Company First Mortgage Bonds.

The New England Trust Co., Boston, Trustee. Interest 5%, payable at Old Colony Trust Co., Boston.

Old Colony Trust Co., Boston, Registrar.

28. Dated August 1, 1882. Payable, August 1, 1922.

Coupon bonds are for $1,000 each, registerable as to principal only.

Mortgage provides for an issue of not more than $15,000 per mile of road. Amount of issue, $390,000.

These bonds are a first mortgage on road from Coalvale to Weir City Junction, Kas., 26.18 miles.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

LEASEHOLD ESTATE (THE K. C. F. S. & M. RY.)—Concluded.

Kansas City, Fort Scott and Memphis Railroad Company Consolidated Mortgage Bonds.

The New England Trust Co., Boston, Trustee. Interest 6%, payable at Old Colony Trust Co., Boston.
Old Colony Trust Co., Boston, Registrar.
Dated, May 1, 1888. Payable, May 1, 1928.

29. Coupon bonds are for $1,000 each, registerable as to principal only.
Mortgage provides for an issue of not more than $25,000 per mile of road; amount issued $13,736,000.
These bonds are a first mortgage on line of road, Edward, Kas., to Springfield, Mo., 100.01 miles; Springfield, Mo., to Memphis, Tenn., 282.34 miles; Rich Hill Branch, Linton, Kas., to Rich Hill, Mo., 20.78 miles; Baxter, Kas., to Joplin and Webb City, Mo., 21.90 miles; Greenfield to Aurora, Mo., 37.67 miles; Baxter, Kas., to Miami, Okla., 13.07 miles; Weir City to Mackie, Kas., 3.40 miles, in all 479.17 miles; and a second mortgage on 235 89 miles.

Current River Railroad Company First Mortgage Bonds.

The New England Trust Co., Boston, Trustee. Interest 5%, payable at Old Colony Trust Co., Boston.
Old Colony Trust Co., Boston, Registrar.
Dated, October 1, 1887. Payable, October 1, 1927.

30. Coupon bonds are for $1,000 each, registerable as to principal only.
Mortgage provides for an issue of not more than $20,000 per mile of road. Amount of issue, $1,606,000.
These bonds are a first mortgage on road, Willow Springs to Grandin, Mo., 81.95 miles, and equipment thereon.

LEASEHOLD ESTATE (K. C. M. & B. R. R.)

Kansas City, Memphis and Birmingham Railroad Company General Mortgage Bonds.

Old Colony Trust Co., Boston, Trustee and Registrar. Interest 4%, payable at Old Colony Trust Co., Boston.

31. Dated, March 1, 1894. Payable, March 1, 1934.
Coupon bonds are for $500 and $1,000 each, registerable as to principal only.
Amount authorized, $4,500,000, of which $3,323,390 have been issued.
Mortgage is a first lien on entire line, Memphis, Tenn., to Birmingham, Ala., and branches, 285.66 miles.

Kansas City, Memphis and Birmingham Railroad Company Income Bonds.

Old Colony Trust Co., Boston, Trustee and Registrar. Interest 5%, payable at Old Colony Trust Co., Boston.

Dated, March 1, 1894. Payable, March 1, 1934.

32. Coupon bonds are for $500 and $1,000 each, registerable as to principal only.
Amount authorized $7,000,000, of which $6,322,780 have been issued.
On February 1st, 1902, The Kansas City, Ft. Scott & Memphis Ry. Co. offered through the Old Colony Trust Co., of Boston, Mass., to pay the interest on these bonds, beginning March 1st, 1902, at the fixed rate of 5 per cent. per annum, payable semi-annually on the first days of March and September, in consideration of the holders giving an option to purchase assenting income bonds, on 60 days' notice, at 95 per cent.
$399,500 of these bonds are deposited under The K. C. F. S. & M. Ry. Co. refunding 4% mortgage.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

LEASEHOLD ESTATE (K. C. M. & B. R. R.)—Concluded.

33. **Kansas City, Memphis and Birmingham Railroad Company Ten-Year Coupon Extension Notes.**

Notes due September, 1901, but not presented for payment. Funds for redemption in hands of New England Trust Co., Boston.

AUXILIARY COMPANIES.

Kansas City and Memphis Railway and Bridge Company First Mortgage Gold Bonds.

Bay State Trust Co., Boston, Trustee. Interest, 5% payable at Old Colony Trust Co., Boston, and The Mercantile Trust Co., New York.

Old Colony Trust Co., Boston, Registrar.

Dated, October 1, 1889. Payable, October 1, 1929.

34. Coupon bonds are for $1,000 each, registerable as to principal only.

Amount authorized and issued, $3,000,000, of which $245,000 have been purchased through operation of sinking fund.

Sinking fund consists of $10,000 per annum, plus interest accumulation on bonds in hands of trustee. These bonds may be drawn at 110 and accrued interest, if not purchasable at that price.

Mortgage is a lien on bridge over Mississippi River, and approaches, at Memphis, Tenn., 2.85 miles.

Mortgage provides for sale of bonds held by trustee, in sinking fund, to the extent that they may be required for extraordinary repairs or renewals of the bridge.

Birmingham Belt Railroad Company First Mortgage Gold Bonds.

Old Colony Trust Co., Boston. Trustee and Registrar. Interest 4%, payable at The Mercantile Trust Co., New York.

Dated, October 1, 1902. Payable, October 1, 1922.

35. Coupon bonds are for $1,000 each, registerable as to principal only.

Amount authorized and issued, $1,000,000.

Bonds are a first mortgage on terminal property in the city of Birmingham, Ala., including 15.81 miles of track and equipment thereon, and are redeemable at 102½ and accrued interest on any interest day, on sixty days' notice.

Fort Worth and Rio Grande Railway Company First Mortgage Gold Bonds.

Central Trust Co., New York, Trustee. Interest 4%, payable at the office of H. B. Hollins & Co., New York.

Bankers Trust Co., New York, Registrar.

Dated, July 1, 1888. Payable, July 1, 1928.

36. Coupon bonds are for $1,000 each, registerable as to principal only.

Amount authorized and issued, $3,917,000.

Bonds are a first mortgage on line from Ft. Worth to Brady, Texas, 195.88 miles, and equipment thereon. $994,000 of these bonds are pledged under the St. Louis and San Francisco R. R. Co.'s refunding mortgage, and represent the total issue on 49.72 miles main track between Brownwood and Brady.

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ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

CHICAGO AND EASTERN ILLINOIS RAILROAD COMPANY.

Refunding and Improvement Mortgage Gold Bonds.

37. Bankers Trust Co., New York, Trustee and Registrar. Interest 4%, payable at Bankers Trust Co., New York.

Dated, July 1, 1905. Payable, July 1, 1955.

Coupon bonds $1,000 each, registerable as to principal only. Registered bonds $1,000 and $10,000 each. Coupon and registered bonds are interchangeable.

Amount authorized by mortgage, $55,000,000, of which $34,626,000 are reserved to retire prior bonds. There have been issued $10,107,000.

This mortgage is a lien on all property of the Chicago & Eastern Illinois Railroad Company, subject to prior mortgages, as follows:

$97,000 of Danville & Grape Creek Railroad Company First Mortgage 6% Bonds of 1920; $150,000 of Evansville, Terre Haute & Chicago Railway Company Income 6% Bonds of 1920; $91,000 of Chicago & Eastern Illinois Railroad Company First Mortgage Extension 6% Bonds of 1931; $2,736,000 of Chicago & Eastern Illinois Railroad Company First Consolidated Mortgage 6% Bonds of 1934; $4,626,000 of Chicago & Indiana Coal Railway Company First Mortgage 5% Bonds of 1936; $7,164,000 of Chicago & Eastern Illinois Railroad Company General Consolidated and First Mortgage 5% Bonds of 1937, hereafter to be issued on account of the construction or acquisition by the Railroad Company of additional extensions and branches; $19,735,000 of Chicago & Eastern Illinois Railroad Company General Consolidated and First Mortgage Bonds of 1937, issued and now outstanding.

Danville and Grape Creek Railroad Company First Mortgage Bonds.

38. The Trust Co. of America, New York, Trustee and Registrar. Interest 6%, payable at Central Trust Co. of New York.

Dated, April 15, 1880. Payable, May 1, 1920.

Coupon bonds $1,000 each, registerable as to principal only.

Amount authorized and issued, $250,000, of which $131,000 have been exchanged for First Consolidated Mortgage Bonds and $22,000 for General Consolidated and First Mortgage Bonds, leaving outstanding $97,000.

This mortgage is a first lien on line of road from Danville Junction to Westville, Illinois, 9.00 miles.

Evansville, Terre Haute and Chicago Railway Company Income Mortgage Bonds.

39. The Trust Company of America, New York, Trustee. Interest 6%, payable at The Farmers Loan and Trust Co., New York.

Dated, August 9, 1881. Payable, May 1, 1920.

No provision made for registration of the bonds.

Amount authorized and issued, $150,000. Principal and interest guaranteed by Chicago and Eastern Illinois Railroad Company.

4884

9547

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

CHICAGO AND EASTERN ILLINOIS RAILROAD COMPANY—Continued.

First Mortgage Extension Bonds.

The Trust Company of America, New York, Trustee and Registrar. Interest 6%, payable at Fourth National Bank, New York.

40. Dated, December 1, 1881. Payable, December 1, 1931.

Coupon bonds $1,000 each, registerable as to principal only.

Amount authorized and issued, $250,000, of which $147,000 have been exchanged for First Consolidated Mortgage Bonds and $12,000 for General Consolidated and First Mortgage Bonds, leaving outstanding $91,000.

This mortgage is a first lien on line of road from Westville to Sidell, Illinois, 14.10 miles.

First Consolidated Mortgage Bonds.

Central Trust Company of New York, Trustee and Registrar. Interest 6%, payable at Central Trust Co. of New York.

Dated, June 2, 1884. Payable, October 1, 1934.

Coupon bonds $1,000 each, registerable as to principal only.

41. Amount authorized, $6,000,000. Amount issued, $2,788,000, of which $52,000 have been exchanged for General and First Mortgage Bonds; leaving outstanding $2,736,000; $1,288,000 were in exchange for prior bonds.

This mortgage is now a first lien on main line from Dolton, Ill., to Otter Creek Jct., Ind., 155.99 miles; on line from Otter Creek Junction to Brazil, Ind., 12.62 miles, and a second lien on line from Danville to Sidell, Illinois, 23.10 miles.

Under the provisions of the Refunding and Improvement Mortgage of July 1, 1905, no more bonds can be issued under this mortgage.

Chicago and Indiana Coal Railway Company First Mortgage Bonds.

The Metropolitan Trust Company of the City of New York, Trustee and Registrar. Interest 5%, payable at The Metropolitan Trust Co. of the City of New York.

Dated, December 1, 1885. Payable, January 1, 1936.

42. Coupon bonds $1,000 each, registerable as to principal only.

Amount issued, $4,626,000. This mortgage is a first lien on line from La Crosse to Brazil, Indiana; Goodland, Indiana, to State Line and Coal Branches; 176.53 miles, and the equipment thereon at time of consolidation, June 6, 1894.

Under articles of consolidation of June 6, 1894, no more bonds can be issued under this mortgage.

9548

4885

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

CHICAGO AND EASTERN ILLINOIS RAILROAD COMPANY—Concluded.

Sinking Fund Collateral Trust Bonds.

43. Central Trust Company of New York, Trustee and Registrar. Interest 6%, payable at Central Trust Co. of New York.

Dated, February 1, 1887. Payable, February 1, 1912.

Coupon bonds $1,000 each, registerable as to principal only.

Amount authorized and issued, $2,000,000. Retired by exchange for General Consolidated and First Mortgage Bonds, $1,973,000, leaving outstanding $27,000.

General Consolidated and First Mortgage Bonds.

Central Trust Company of New York, Trustee and Registrar. Interest 5%, payable at Central Trust Co. of New York.

Dated, November 1, 1887. Payable, November 1, 1937.

Coupon bonds $1,000 each. Registered bonds $1,000 and $5,000 each. Coupon bonds may be exchanged for registered bonds, but there is no provision for re-conversion into coupon bonds.

Amount limited to $30,000,000 by contract with Central Trust Company of New York, Trustee. There have been issued $19,735,000.

44. This mortgage is a lien on all property of the Chicago and Eastern Illinois Railroad Company, subject to prior mortgages as follows:

$97,000 of Danville and Grape Creek Railroad Company First Mortgage 6 per cent. bonds of 1920; $150,000 of Evansville, Terre Haute and Chicago Railway Company Income 6 per cent. bonds of 1920; $91,000 of Chicago and Eastern Illinois Railroad Company First Mortgage Extension 6 per cent. bonds of 1931; $2,736,000 of Chicago and Eastern Illinois Railroad Company First Consolidated Mortgage 6 per cent. bonds of 1934; $4,626,000 of Chicago and Indiana Coal Railway Company First Mortgage 5 per cent. bonds of 1936.

BONDS OF OTHER COMPANIES GUARANTEED.

Kansas City, Clinton and Springfield Railway First Mortgage Bonds.

The New England Trust Co., Boston, Trustee and Registrar. Interest 5%, payable at Old Colony Trust Co., Boston.

45. Dated, October 1, 1885. Payable, October 1, 1925.

Coupon bonds $1,000 each, registerable as to principal only.

Amount authorized, $20,000 per mile of completed road. Amount outstanding $3,274,000. Mortgage is a lien on line of road Olathe, Kansas, to Pleasant Hill, Mo., 33.47 miles; Raymore Junction, to Ash Grove, Mo., 129.16 miles; in all 162.63 miles and equipment thereon. Bonds guaranteed by The Kansas City, Fort Scott & Memphis Railway Company.

Kansas City Belt Railway Company First Mortgage Bonds.

The New England Trust Co., Boston, Trustee and Registrar. Interest 6%, payable at Old Boston National Bank, Boston.

Dated, July 1, 1886. Payable, July 1, 1916.

46. Amount authorized $2,500,000. Amount issued $2,250,000. Mortgage is a first lien on sixteen miles of belt tracks in Kansas City.

The Kansas City, Fort Scott & Memphis Railway Company guarantees $534,000 of the total amount issued. The numbers of such guaranteed bonds are: 326 to 520, 751 to 810, 851 to 895, 1001 to 1048, 1161 to 1190, 1261 to 1332, 1501 to 1530, and 1601 to 1654, all numbers inclusive.

4886

9549

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

BONDS OF OTHER COMPANIES GUARANTEED—Concluded.

New Orleans Terminal Company First Mortgage Fifty-Year Gold Bonds.

47. The Standard Trust Co., New York, Trustee. Interest 4%, payable at the Standard Trust Co., New York.

Dated, July 1, 1903. Payable, July 1, 1953.

Coupon bonds are for $1,000 each, registerable as to principal only. Registered bonds are for $1,000 and $10,000 each. Coupon and registered bonds are interchangeable.

Amount authorized $15,000,000, of which $14,000,000 have been issued.

Bonds are a first lien on union passenger station, docks, elevators, warehouses, real estate, tracks, equipment and other property in and contiguous to New Orleans, La., owned by the Terminal Company, and are guaranteed jointly by the St. Louis and San Francisco Railroad Company and the Southern Railway Company.

Birmingham Terminal Company First Mortgage Gold Bonds.

48. The Equitable Trust Co., New York, Trustee. Interest 4%, payable at The Equitable Trust Co., New York.

Dated, March 1, 1907. Payable, March 1, 1957.

Coupon bonds are for $1,000 each, registerable as to principal only. Registered bonds are for $1,000 each, or any multiple thereof. Coupon and registered bonds are interchangeable.

Amount authorized, $3,000,000, of which $1,500,000 have been issued. Mortgage is a first lien upon the property and franchises in Birmingham, Alabama, owned by the Terminal Company.

Each of the following railroads guarantees one-sixth of the principal and interest of all bonds issued: Southern Ry., Illinois Central R. R., Seaboard Air Line Ry., Central of Georgia Ry., Alabama Great Southern R. R., and St. Louis & San Francisco R. R.

Rock Island-Frisco Terminal Railway Company First Mortgage Gold Bonds.

49. Mercantile Trust Co., St. Louis, Trustee. Interest 5%, payable at Mercantile Trust Co., St. Louis or Trust Company of America, New York.

G. T. Boggs, 71 Broadway, New York, Registrar.

Dated, January 2, 1907. Payable, January 1, 1927.

Coupon bonds are for $1,000 each, registerable as to principal only.

Amount authorized, $5,000,000, of which $3,000,000 have been issued.

Bonds are a first lien on the real estate, tracks, warehouses, depots, buildings and other terminal facilities in St. Louis, Mo., owned by the Terminal Railway Company. The Chicago, Rock Island & Pacific Ry. Co. and the St. Louis & San Francisco R. R. Co. jointly guarantee the payment of principal and interest.

EQUIPMENT BONDS AND NOTES.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY.

Blair and Company, Series "A" Gold Notes.

50. Interest 4%, payable at the office of Blair & Co., New York.

Amount of notes originally issued, $1,310,000, of which $720,000 have been redeemed and cancelled; $131,000 have been redeemed, of which $66,000 were, at June 30, 1908, pledged under the General Lien Mortgage and the balance, $65,000, pledged subsequent to that date.

Notes are dated December 1, 1901, and are payable semi-annually—$65,000 on the first day of June and $66,000 on the first day of December, and are a first lien on 25 Locomotives, 10 Passenger Coaches, 4 Baggage Cars, 1,791 Freight Cars, 15 Caboose Cars and 100 Ballast Cars.

9550

4887

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Continued.

R. Winthrop and Company, Series "B" Gold Notes.

Interest 4%, payable at the office of R. Winthrop & Co., New York.

51. Amount of notes originally issued, $1,240,000, of which $620,000 have been redeemed and cancelled, and $60,000 redeemed and pledged under the General Lien Mortgage.

Notes are dated February 1, 1903, and are payable semi-annually—$69,000 on the first day of February and $64,000 on the first day of August, and are a first lien on 38 Locomotives, 6 Postal Cars, 3 Combination Mail and Baggage Cars, 1,125 Freight Cars, 30 Caboose Cars, 49 Rodger Ballast Cars, 10 Ingoldsby Dump Cars, and 1 Plow.

R. Winthrop and Company, Series "C" Gold Notes.

Interest 4%, payable at the office of R. Winthrop & Co., New York.

52. Amount of notes originally issued, $1,000,000, of which $450,000 have been redeemed and cancelled, and $100,000 redeemed and pledged under the General Lien Mortgage.

Notes are dated May 1, 1903, and are payable semi-annually—$50,000 on the first days of May and November, respectively, and are a first lien on 25 Locomotives and 1,200 Box Cars.

American Car and Foundry Company, Series "D" and "E" Gold Notes.

Interest 5%, payable at Third National and Merchants-Laclede National Banks, and National Bank of Commerce, St. Louis.

53. Amount of notes originally issued, $1,462,609.20, of which $639,920.97 have been redeemed and cancelled. $121,884.10 have been redeemed, of which $115,879.53 were, at June 30, 1908, pledged under the General Lien Mortgage, and the balance, $6,004.57, pledged subsequent to that date.

Notes dated February, March, April and May, 1903, respectively, including interest, amounting to $12,188.41, are payable monthly, and are a first lien on 935 Box and 1,000 Gondola Cars.

Blair and Company, Series "F" Gold Bonds.

The New York Trust Co., New York, Trustee. Interest 5%, payable at the office of Blair & Co., New York.

54. Amount of bonds originally issued, $1,624,000, of which $928,000 have been redeemed and cancelled. $232,000 have been redeemed, of which $146,000 were, at June 30, 1908, pledged under the General Lien Mortgage and the balance, $86,000, pledged subsequent to that date.

Bonds are dated July 1, 1903, and are payable quarterly—$58,000 on the first days of January, April, July and October, respectively, and are a first lien on 100 Locomotives, 33 Passenger Coaches, 1 Café Car and 6 Postal Cars.

Blair and Company Series "G" Gold Notes.

Bankers Trust Co., New York, Trustee. Interest 4½%, payable at the office of Blair & Co., New York.

55. Amount of notes issued, $3,080,000, of which $308,000 have been redeemed and cancelled; $308,000 redeemed and pledged under the General Lien Mortgage.

Notes are dated April 1, 1906, and are payable semi-annually, $154,000 on the first days of April and October, respectively. Notes are a first lien on 45 Locomotives, 3,050 Freight Cars, and 5 Postal Cars.

4888

9551

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Continued.

Blair and Company, Series "H" Gold Notes.

The New York Trust Company, New York, Trustee. Interest 5%, payable at the office of Blair & Co., New York.

36. Amount of notes issued, $450,000, of which $45,000 have been redeemed and cancelled; $75,000 redeemed and pledged under the General Lien Mortgage.

Notes are dated November 1, 1906, and are payable in fourteen consecutive semi-annual installments, viz.: $45,000 on May 1, 1907, and November 1, 1907, and $30,000 on the first days of May and November thereafter, and are a first lien on 20 Consolidation, 10 Switch and 10 Passenger Locomotives.

American Car and Foundry Company, Series "I" Gold Notes.

First Trust and Savings Bank, Chicago, St. Louis Union Trust Co., St. Louis, } Trustees. Interest 5%, payable at First Trust and Savings Bank, Chicago, or First National Bank, New York.

Amount of notes issued, $3,357,000, of which $173,000 have been redeemed and cancelled; $344,000 have been redeemed, of which $172,000 were, at June 30, 1908, pledged under the General Lien Mortgage, and the
57. balance, $172,000, pledged subsequent to that date.

Notes are dated November 1, 1906, and are payable in twenty consecutive semi-annual installments, viz.: $173,000 July 1, 1907, $172,000 January 1, 1908, and $172,000 July 1, 1908, succeeding years' installments being reduced in like manner by $1,000, the last installment due January 1, 1917, being for $162,000. They are a first lien on 3,300 freight cars.

Pullman Company, Series "J" Gold Notes.

Interest 5% payable at Boatmen's Bank, St. Louis.

Amount of notes issued, $200,240.80, of which $15,018.06 have been redeemed and cancelled; $20,024.08 re-
58. deemed and pledged under the General Lien Mortgage.

Notes are dated September 20, 1906, and are payable in forty equal quarterly payments of $5,006.02 from December 20, 1906, to September 20, 1916, and are a first lien on 10 Chair and 6 Combination Passenger and Mail Cars.

American Car and Foundry Company, Series "K" Gold Notes.

St. Louis Union Trust Co., St. Louis, Trustee. Interest 5% payable at St. Louis Union Trust Co., St. Louis.

Amount of notes issued, $359,000, of which $38,000 have been redeemed and pledged under the General Lien Mortgage.

59. Notes are dated March 1, 1907, and are payable in twenty consecutive semi-annual installments, viz.: $19,000 on the first days of September, 1907, and March, 1908; $18,000 on the first days of September and March thereafter, to and including September 1, 1915, and $17,000, $19,000 and $15,000 on the first days of March and September, 1916, and March, 1917, respectively. They are a first lien on 250 Gondola Cars and 150 Ballast Cars.

American Car and Foundry Company, Series "L" Gold Notes.

St. Louis Union Trust Co., St. Louis, Trustee. Interest 5% payable at St. Louis Union Trust Co. St. Louis, or Bankers Trust Co., New York.

60. Amount of notes issued, $5,074,000, of which $262,000 have been redeemed.

Notes are dated August 1, 1907, and are payable in twenty consecutive semi-annual installments, ranging from $262,000, on February 1, 1908, to $244,000 on August 1, 1917, and are a first lien on 3,000 Box Cars, 1,000 Coal Cars and 500 Stock Cars.

9552

4889

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY—Concluded.

61. **Pullman Company, Series "M" Gold Notes.**

Interest 5% payable at Merchants Loan & Trust Co., Chicago.

Amount of notes issued, $1,057,452.00, of which $52,872.60 have been redeemed.

Notes are dated November 15, 1907, and are payable in forty equal quarterly payments of $26,436.30, from February 15, 1908, to November 15, 1917, and are a first lien on 25 Baggage Cars, 6 Baggage and Mail Cars, 37 Coaches, 15 Chair Cars, and 4 Café Observation Cars.

62. **Provident Life and Trust Co., Series "O" Gold Certificates.**

Interest 6% payable at Provident Life and Trust Company, Philadelphia.

Amount of certificates issued and outstanding, $669,000.

Certificates are dated January 11, 1908, and are payable semi-annually; $34,000, July 15, 1908, to July 15, 1912; $33,000, January 15, 1913, to January 15, 1918, and are a first lien on 45 Locomotives.

LEASEHOLD ESTATE (THE K. C. F. S. & M. RY.)

63. **Fort Scott Equipment Company First Mortgage Bonds.**

E. V. R. Thayer and Frank H. Damon, Boston, Trustees. Interest 6%, payable at Old Colony Trust Co., Boston.

Dated, July 1, 1899. Payable, July 1, 1909.

Amount issued for new equipment purchased, $332,000, of which $265,000 have been retired and cancelled through operation of sinking fund.

The sinking fund provision calls for the redemption each year of at least one-tenth of the bonds issued, purchasable at not exceeding par and accrued interest, upon proposals, failing in which, such bonds are to be determined by lot.

Bonds are a first lien on 11 Locomotives, 8 Passenger Coaches, 3 Baggage Cars, 346 Freight Cars, and 10 Caboose Cars.

64. **Ozark Equipment Company First Mortgage Bonds.**

E. V. R. Thayer and Frank H. Damon, Boston, Trustees. Interest 5%, payable at Old Colony Trust Co., Boston.

Dated, May 1, and November 1, 1900. Payable May 1, and November 1, 1910.

Amount issued for new equipment purchased, $1,000,000.

Sinking fund provision calls for the redemption each year of at least one-tenth of the bonds issued, purchasable at not exceeding par and accrued interest, upon proposals, failing in which, such bonds are to be determined by lot.

$765,000 of these bonds have been retired and cancelled, and $3,000 called for redemption, through operation of sinking fund, of which $110,000 were redeemed by trustees during the present fiscal year and for which The K. C. F. S. & M. Ry. Co. refunding 4% bonds were issued.

Bonds are a first lien on 32 Locomotives, 6 Passenger Coaches, 7 Café Observation Cars, 1 Combination Baggage, Mail and Express Car, 2 Baggage Cars and 600 Freight Cars.

65. **St. Charles Car Company and Pittsburg Locomotive Works Notes.**

Interest 5%, payable at offices of Trustees of the Cheney and Thayer estates, Boston.

Amount outstanding June 30, 1908, $10,100, all maturing during the coming fiscal year.

4890

9553

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

LEASEHOLD ESTATE (The K. C. F. S. & M. RY.)—Concluded.

66 **Blair and Company, Series "A" Gold Bonds.**

The New York Trust Co., New York, Trustee. Interest 4½%, payable at the office of Blair & Co., New York.

Amount of bonds issued, $1,300,000, of which $455,000 have been redeemed and cancelled.

Bonds are dated January 3, 1905, and are a first lien on 1,700 Freight Cars, 50 Caboose Cars, and 300 Hopper Cars.

Bonds are payable semi-annually---$65,000 on the first days of January and July, respectively.

67. **Blair and Company, Series "B" Gold Bonds.**

Bankers Trust Co., New York, Trustee. Interest 4½% payable at the office of Blair & Co., New York.

Amount of bonds issued $1,700,000, of which $425,000 have been redeemed and cancelled. Bonds are dated August 1st, 1905, and are a first lien on 30 Locomotives, 1,500 Freight Cars, 10 Combination Mail and Baggage Cars, and 6 Postal Cars.

Bonds are payable semi-annually, $85,000 on the first days of February and August, respectively.

CHICAGO AND EASTERN ILLINOIS RAILROAD COMPANY.

68. **Blair and Company, Series "B" Bonds.**

The New York Trust Co., New York, Trustee. Interest 5% payable at the office of Blair & Co., New York.

Total amount authorized September 1, 1903, and issued, $1,582,000, of which $1,069,000 have been paid, and $513,000 are now outstanding, and mature in amounts of $57,000 each on the first days of December and June in each year, ending on June 1, 1910; and in amounts of $56,000 each on the first days of March and September in each year, ending September 1, 1910.

The bonds are secured by an equipment agreement covering 38 Locomotives, 1,000 Freight Cars, 12 Caboose Cars and 32 Passenger Cars.

69. **Blair and Company, Series "C" Bonds.**

Bankers Trust Company, New York, Trustee. Interest 4½% payable at the office of Blair & Co., New York.

Total amount authorized December 31, 1904, and issued, $1,060,000, of which $318,000 have been paid and $742,000 are now outstanding, and mature in amounts of $53,000 each on the first days of January and July in each year, ending January 1, 1915.

The bonds are secured by an equipment agreement covering 1,500 Freight Cars.

9554

4891

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MEMORANDA CONCERNING

FUNDED AND OTHER FIXED INTEREST BEARING DEBT OUTSTANDING JUNE 30th, 1908.

CHICAGO AND EASTERN ILLINOIS RAILROAD COMPANY—Concluded.

70. **Blair and Company, Series "D" Bonds.**

Bankers Trust Company, New York, Trustee. Interest 4½% payable at the office of Blair & Co., New York.

Total amount authorized January 3, 1905, and issued, $300,000, of which $90,000 have been paid, and $210,000 are now outstanding, and mature in amounts of $15,000 each, on the first days of January and July in each year, ending January 1, 1915.

The bonds are secured by an equipment agreement covering 500 Freight Cars.

71. **American Car and Foundry Company Notes.**

Dated January 5, February 5 and April 5, 1903. Payable in 120 monthly installments, at the rate of $10,921.48 per month.

Total amount of notes issued, $1,310,577.60, of which $699,172.16 have been paid, and $611,405.44 are now outstanding. Interest 5% included in face amount of notes and charged to income account in 1903.

The notes are secured by an agreement covering 1,750 Freight Cars.

72. **Blair and Company, Series "E" Bonds.**

Bankers Trust Company, New York, Trustee. Interest 4½% payable at the office of Blair & Co., New York.

Total amount authorized August 1, 1905, and issued, $2,500,000, of which $625,000 have been paid, and $1,875,000 are now outstanding, and mature in amounts of $125,000 each on the first days of February and August in each year, ending August 1, 1915.

The bonds are secured by an equipment agreement covering 30 Locomotives, 2,500 Freight Cars, 12 Caboose Cars and 3 Postal Cars.

73. **Blair and Company, Series "F" Bonds.**

Bankers Trust Company, New York, Trustee. Interest 4½%, payable at the office of Blair & Co., New York.

Total amount authorized February 1, 1906, and issued, $4,400,000, of which $880,000 have been paid, and $3,520,000 are now outstanding, and mature in amounts of $220,000 each on the first days of February and August in each year, ending February 1, 1916.

The bonds are secured by an equipment agreement covering 89 Locomotives, 3,250 Freight Cars, 25 Caboose Cars and 3 Dining Cars.

74. **American Car and Foundry Company, Series "G" Notes.**

Bankers Trust Company, New York, Trustee. Interest 5%, payable at the office of Bankers Trust Co., New York.

Total amount authorized October 1, 1907, and issued, $2,480,000, of which $124,000 have been paid and $2,356,000 are now outstanding and mature in amounts of $124,000 each on the first days of April and October in each year, ending October 1, 1917.

The notes are secured by an equipment agreement covering 2,000 Coal Dump Cars.

4892

9555

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

STATEMENT OF MILEAGE OPERATED, JUNE 30th, 1908.

	Miles First Main Track.	Miles Second Track.	Miles Side Tracks.	Trackage rights included in miles 1st. main track.
St. Louis and San Francisco Railroad.				
St. Louis, Mo., to Oklahoma City, Okla.	543.09	16.55	207.06	.....
Sapulpa, Okla., to Texas State Line	192.81	.....	41.47	.16
Monett, Mo., to Red River	286.13	.....	52.31	.....
Peirce City, Mo., to Ellsworth, Kas.	323.80	.....	63.55	.....
Springfield, Mo., to Kansas City, Mo.	189.49	.....	31.35	3.80
Beaumont, Kas., to Blackwell, Okla.	79.73	.....	9.60	.....
Girard, Kas., to Galena, Kas.	46.93	.....	27.79	.....
Oronogo, Mo., to Joplin, Mo.	9.32	.....	6.47	.....
Springfield, Mo., to Chadwick, Mo.	34.86	.....	6.74	.....
Cuba Junction, Mo., to Salem, Mo., and Branches	59.54	.....	17.73	.....
Rogers, Ark., to Grove, Okla.	47.16	.....	3.60	.....
Fayetteville, Ark., to Pettigrew, Ark.	41.32	.....	4.56	.....
Jenson, Ark., to Mansfield, Ark.	18.34	.....	12.70	.....
Pittsburg, Kas., to Weir City, Kas., and Mines.	10.48	.....	7.43	.....
Springfield Connecting Ry.	3.18	.....	1.34	.....
Granby, Mo., to Granby Mines.	1.50	.....	.97	.....
Blackwell, Okla., to South Bank Red River	238.68	.....	34.56	.....
Oklahoma City, Okla., to South Bank Red River	174.85	.....	22.65	.....
Hope, Ark., to Ardmore, Okla.	223.50	.....	31.85	.22
Scullin, Okla., to Sulphur Springs, Okla.	8.72	.....	.81	.....
Mead Junction, Okla., to Platter, Okla.	9.24	.....	1.09	.....
Fayetteville, Ark., to Okmulgee, Okla.	143.90	.....	14.61	.....
A. V. & W. Junction to Avard, Okla.	175.25	.....	25.48	.....
Southeast Junction, Mo., to Luxora, Ark.	241.70	.....	63.80	.....
Nash, Mo., to Hoxie, Ark.	121.00	.....	16.11	.....
Mingo, Mo., to Hunter, Mo.	45.80	.....	4.00	.....
Hayti, Mo., to Grassy Bayou (via Caruthersville).	15.70	.....	5.04	.....
Gulf Junction, Mo., to Leachville, Ark.	118.20	.....	16.40	.....
Clarkton, Mo., to Malden, Mo.	7.30	.....	1.78	.....
Kennett, Mo., to Hayti, Mo.	18.30	.....	1.76	.....
Wardell, Mo., to Deering, Mo.	12.10	.....	.56	.....
Zalma, Mo., to Aquilla, Mo.	18.40	.....	.84	.....
Van Duzer, Mo., to Gibson, Mo.	56.00	.....	7.37	.....
Talipoosa, Mo., to Wardell, Mo.	10.70	.....	.....	.....
Total.	3,527.02	16.55	743.38	4.18
The Kansas City, Fort Scott and Memphis Railway.				
Kansas City, Mo., to Arcadia, Kas.	117.00	23.90	93.92	.....
Springfield, Mo., to Memphis, Tenn.	285.78	.....	105.90	.....
Linton, Kas., to Rich Hill, Mo.	20.78	.....	7.05	.....
Tyronza Junction, Ark., to Station No. 359, Ark.	11.40	.....	2.88	.....
Edward, Kas., to Webb City, Mo.	80.17	.....	72.93	.....
Arcadia, Kas., to Cherryvale, Kas.	74.50	.....	31.66	.....
Weir Junction, Kas., to Weir City, Kas.	3.94	.....	14.87	.....
Bonnerville, Ark., to Estico, Ark. (Mile post No. 447)	35.75	.....	5.57	.....
Greenfield, Mo., to Aurora, Mo.	37.67	.....	2.90	.....
Baxter, Kas., to Miami, Okla.	13.07	.....	2.36	.....
Deckerville, Ark., to Luxora, Ark.	36.30	.....	11.17	.....
Willow Springs, Mo., to Grandin, Mo.	81.95	.....	9.75	.....
Miami, Okla., to Afton, Okla.	13.09	.....	2.19	.....
Jacques Junction Extension, Kas.	1.06	.....	.76	.....
Arcadia, Kas., to Springfield, Mo.	85.00	.....	15.87	.....
Evadale, Ark., to Big Creek, Ark.	16.50	.....	5.49	.....
Total.	913.96	23.90	385.27	.....

(Continued)

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4898

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

STATEMENT OF MILEAGE OPERATED, JUNE 30th, 1908—Concluded.

	Miles First Main Track.	Miles Second Track.	Miles Side Tracks.	Trackage rights included in miles 1st. main track.
Kansas City, Memphis and Birmingham R. R.				
Memphis, Tenn., to Birmingham, Ala.	265 51	.....	95.32	.....
Pratt City, Ala., to Bessemer, Ala.	11.06	.....	3.39	.....
Empire Branch, Ala.	9.09	.....	2.83	.....
Total.	285.66	.....	101.45	.....
Ft. Worth and Rio Grande Ry.				
Ft. Worth, Tex., to Brady, Tex.	195.88	.....	30.23	.....
St. Louis, San Francisco and Texas Ry.				
Texas State Line to Ft. Worth, Tex.	103.27	.....	30.21	39.07
Red River, Tex., to Vernon, Tex.	12.75	.....	1.72	.....
Red River, Tex., to Quanah, Tex.	8.68	.....	3.91	.....
Total.	124.70	.....	35.84	39.07
Paris and Great Northern R. R.				
Red River, Tex., to Paris, Tex.	16.94	.....	6.72	.....
Birmingham Belt R. R.				
Terminal Tracks in City of Birmingham, Ala.	.....	.....	26.08	.....
Total St. L. & S. F. R. R. Lines	5,064.16	40.45	1,328.97	43.25
Chicago and Eastern Illinois R. R.				
Chicago, Ill., to Dolton, Ill.	16.99	.....	.....	16.99
Dolton, Ill., to Danville, Ill.	107.21	*126.26	137.86	.....
Chicago, Ill., to Auburn Park, Ill	8.68	.....	.....	8.68
Danville Jct., Ill., to Brazil, Ind.	61.20	39.15	72.35	.....
Otter Creek Jct., Ind., to Terre Haute, Ind	6.10	.....	†13.88	6.10
Momence Jct., Ill., to Brazil, Ind.	130.09	.....	52.16	.....
Danville Jct., Ill., to Thebes, Ill., and Joppa, Ill	292.39	9.09	146.33	.....
Thebes, Ill., to North (Bridge) Jct., Ill.	1.31	.....	.....	1.31
Bridge Jct., Ill., to Illmo, Mo	4.65	.....	.....	4.65
Illmo, Mo., to Rockview, Mo	7.54	.....	.....	7.54
Rockview, Mo., to Chaffee, Mo	.87	.....	.....	.87
Woodland Jct., Ill., to Villa Grove, Ill.	62.20	.86	12.82	.....
Findley Jct., Ill., to Pana, Ill	19.74	.....	5.34	.....
Pana, Ill., to Granite City, Ill.	76.21	.....	‡15.09	76.21
Granite City, Ill., to 23rd St., St. Louis, Mo., via Ead's Bridge.	8.53	.....	.....	8.53
Granite City, Ill., to Union Depot, St. Louis, Mo., via Merchant's Bridge	8.98	.....	.....	8.98
Milford Jct., Ill., to Freeland, Ind.	10.84	.....	1.28	.....
Cissna Jct., Ill., to Cissna Park, Ill.	11.36	.....	1.57	.....
Rossville, Jct. Ill., to Sidell Jct., Ill.	34.29	.....	11.11	.....
Rossville Jct., Ill., to Judyville, Ind.	13.77	.....	.92	.....
Percy Jct., Ind., to La Crosse, Ind.	45.89	.....	5.29	.....
Coal Bluff, Ind., to Casey, Ind.	6.63	.....	11.11	.....
Branches to Coal Mines	14.69	.....	2.71	.....
Hunt's Extension	6.94	.....	16.88	.....
Total C. & E. I. R. R. Co.	957.10	175.36	506.70	139.86
Grand Total	6,021.26	215.81	1,835.67	183.11

*Includes 20.20 miles 3rd main Track.

†Includes 3.52 miles track joint with Vandalia Railroad Co., and 1.32 miles track joint with Cleveland, Cincinnati, Chicago & St. Louis Railway Co., and Vandalia Railroad Co.

‡Includes 6.04 miles track joint with Cleveland, Cincinnati, Chicago & St. Louis Railway Co.

NOTE—In addition to above operated mileage, the C. & E. I. R. R. Company owns 1.95 miles of track between Bismark Jct. and Starr, Ill., and has under lease from the Chicago Southern Ry. Co., 6.63 miles of track between Starr and Brewer Jct., Ill., which was operated during the months December, 1907, to March, 1908, but not used as factors in per mile of road statistics, making total miles first main track owned 819.19, trackage rights included in first main track 146.49 and total C. & E. I. R. R. mileage in operation July 1, 1908, 965.68.

4894

9557

ST. LOUIS AND SAN FRANCISCO RAILROAD LINES.

(Including C. & E. I. R. R.)

MILEAGE BY STATES.

	FRISCO.	C. & E. I.	TOTAL.
Alabama	127.75	.....	127.75
Arkansas	592.01	.....	592.01
Illinois	.....	683.26	683.26
Indiana	.....	254.89	254 89
Kansas	629.97	.....	629.97
Missouri	1,717.77	18.95	1,736.72
Mississippi	142.86	.....	142.86
Oklahoma	1,497.94	.....	1,497.94
Tennessee	18.34	.....	18.34
Texas	337.52	.....	337.52
Total	5,064.16	957.10	6,021.26

Average mileage operated St. L. & S. F. R. R. Lines	5,064.16
Average mileage operated C. & E. I. R. R	957.10
Total	6,021.26

Main Track mileage not included in the above, being operated independently, but one-half of which is owned by St. Louis and San Francisco Railroad Company:

Kansas Southwestern Ry.:

Arkansas City, Kas., to Anthony, Kas. 59.35

New Orleans Terminal Co.:

Terminal tracks in New Orleans, La. 25.88

LINES UNDER CONSTRUCTION AT JUNE 30th, 1908.	Miles First Main Track.	Miles Side Tracks.	Trackage rights included in miles 1st main track.
By Colorado Southern, New Orleans and Pacific R. R. Co.			
In operation pending completion of construction—			
Opelousas, La., to Texas State Line	101.91	14.13	18.50
Crowley, La., to Eunice, La.	21.97	4.41	.....
Under Construction—			
Port Allen, La., to Opelousas, La.	53.84	6.91	.....
By The Beaumont, Sour Lake and Western Ry. Co.			
In operation pending completion of construction—			
Houston, Tex., to Beaumont, Tex.	116.84	17.60	34.05
By The Orange and Northwestern R. R. Co.			
In operation pending completion of construction—			
Orange, Tex., to Newton, Tex.	61.21	13.27	.....
Total	355.77	56.32	52.55

4895

MAPS

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FILMING

C., M. & St. P. Ry. Co.

Comparison of Through and Local Passenger Partial Expenses—Various Divisions.

Division.	Train No.	Compared expense per day.	Number days.	Passenger miles.	Expense passenger mile in mills.	Local passenger miles.	Local expense.	Through passenger miles.	Through expense.	Total expense.
Superior.....	3.	$61 57	38	356,950	6.55	59,011	$386.52	297,939	$1,953.14	$2,339.66
	23.	32.81	36	146,824	8.04	128,798	1,035.54	18,026	432.70	1,181 16
Northern.....	7.	23 46	31	206,252	3 52	187,501	660.00	18,751	67.26	727.26
	33.	23.77	34	91,904	8.79	87,227	766.72	4,677	113 46	808.18
Wisconsin Val....	3.	36.29	29	198,046	5.31	148,645	789.30	49,401	263.11	1,052 41
	5.	23.10	32	141,141	5.24	124,796	653.93	16,345	85.27	739.26
Pr. du Chien.....	1.	43.23	35	210,937	7.17	121,695	872.55	89,242	640.50	1,513.05
	5.	39.73	34	256,267	5.27	234,044	1,233.41	22,223	117.41	1,350.82
Total.....	.....	.....	.....	.....	.....	1,091,717	$6,397.97	516,604	$3,672.85	$9,711.74

Expense per passenger mile, local..... 5.86 mills.
" " " " through.. 4.73 "

9581 COMPL. EX. 29.

(*Copy of Specimen.*)

The Kansas City, Fort Scott, and Memphis Railway Company.

Number. Stock Trust Certificate. Shares.

——. Guaranteed Four Per Cent. Preferred Stock. ——.

The Mercantile Trust Company hereby certifies that —— —— will be entitled to receive on the first day of October, 1921, subject to the payment or prior redemption of this stock trust certificate as hereinafter provided, and on surrender hereof, a certificate or certificates for —— full paid shares of $100 each in the four per cent. non-cumulative preferred capital stock of The Kansas City, Fort *Stock* and Memphis Railway Company (hereinafter called the Railway Company), and that the St. Louis and San Francisco Railroad Company (hereinafter called the Railroad Company) has deposited certificates for preferred stock of the Railway Company in said amount, with proper transfers in blank, with said Trust Company, to hold the same for the purposes of this stock trust certificate. If the Railroad Company shall fail to pay in United States gold coin of or equal to the present standard of weight and fineness, a dividend of one dollar in respect of each share of stock represented by this stock trust certificate upon each first day of January, April, July, and October, after the first day of October, 1901, and until said first day, of October, 1921, or the earlier redemption of this stock trust certificate, within ten days after demand shall have been made upon the Railroad Company, at its office or agency in the City of New York, then, and in case of any such default so continued, the registered holder of this stock trust certificate may, at his option, surrender the same to the Trust Company, and in exchange therefor, upon demand, shall be entitled to receive, and the Trust Company agrees to deliver, certificates for shares of the preferred stock of the Railway Company to the amount hereinbefore enumerated. Until the actual delivery of certificates for the preferred stock of the Railway Company, the Railroad Company shall possess, and shall be entitled to exercise, all rights of every nature in respect of such preferred stock, including the right to vote and to consent to any corporate action on the part of the Railway Company. On October 1, 1921, the Railroad Company may pay this stock trust certificate as hereinafter provided and upon deposit with the Trust Company on said day of the amount hereof, with accrued dividends to said day, shall be entitled to receive from the Trust Company, certificates for said preferred stock to the amount herein enumerated, and all liability on the part of the Railroad Company under or by virtue of this stock trust certificate shall terminate. The Railroad Company may at any earlier time redeem this stock trust certificate by paying to the Trust Company to the credit of the registered holder hereof, and for payment to him on surrender hereof, said sum of one hun-

dred dollars for each share of said preferred stock of the Railway Company represented by this stock trust certificate and the dividends accruing hereon thirty days after such payment. The Trust Company shall forthwith give notice of such redemption and payment through the mails to the registered holder hereof and requiring him to surrender this stock trust certificate for cancellation. Upon making such payment, the Railroad Company shall be entitled to receive from the Trust Company certificates for the preferred stock of the Railway Company to the amount herein enumerated, and all liability on the part of the Railroad Company under or by virtue of this stock trust certificate shall terminate.

9582 The Trust Company incurs no personal obligation by the execution of this certificate except for the delivery of said preferred stock certificates and for the payment to the registered holder of any sums received by it for the redemption or payment hereof. This certificate and the certificate of the Railroad Company, together constitute the stock trust certificate and shall be construed as one instrument.

In witness whereof, The Mercantile Trust Company has caused this certificate to be signed on its behalf by its Vice-President and Secretary, this — day of ——, 190–.

THE MERCANTILE TRUST COMPANY,
By —— ——, *Vice-President.*

—— ——, *Secretary.*

St. Louis and San Francisco Railroad Company, hereinafter called the Railroad Company, hereby certifies that under an indenture of lease bearing date the twenty-third day of August, 1901, between the Kansas City, Fort Scott and Memphis Railway Company and the Railroad Company, the Railroad Company has, as part of the rent reserved under said lease, agreed to pay, during the term of said lease, to holders of the preferred stock of said Railway Company, in United States gold coin of or equal to the present standard of weight and fineness, dividends of one dollar per share quarterly on each first day of January, April, July and October after the first day of October, 1901, and the Railroad Company having acquired, in consideration of the issue and acceptance of this stock trust certificate, shares of said preferred stock of the Railway Company to the amount above enumerated, agrees, subject to the prior redemption hereof, to pay to the registered holder of this stock trust certificate, on the first day of October, 1921, at the office of The Mercantile Trust Company, the sum of one hundred dollars for each share of said stock represented by this stock trust certificate, on surrender hereof; and until said first day of October, 1921, or the earlier redemption of this stock trust certificate, to pay to the registered holder hereof a dividend of one dollar in respect of each share of said stock represented by this stock trust certificate, quarterly upon each first day of January, April, July and October from and after the first day of October, 1901.

This certificate and the certificate of the Trust Company together

constitute the stock trust certificate and shall be construed as one instrument.

In Witness Whereof, St. Louis and San Francisco Railroad Company has caused this certificate to be signed on its behalf by The Mercantile Trust Company, its Agent for that purpose, this — day of ——, 190–.

ST. LOUIS AND SAN FRANCISCO RAILROAD COMPANY,

By —— ——.

THE MERCENTILE TRUST COMPANY,
Agent,

By —— ——, *Secretary.*

Registered —.

CONTINENTAL TRUST COMPANY OF THE CITY OF NEW YORK, *Registrar,*

By —— ——.

9583 (*Copy of Form Assignment on Back of Certificate.*)

For value received —— hereby sell, assign and transfer unto —— —— the within stock Trust Certificate calling for —— shares of the Preferred Stock of The Kansas City, Fort Scott and Memphis Railway Company, and all interest therein, and do hereby irrevocably constitute and appoint —— —— Attorney to transfer such interest on the books of The Mercantile Trust Company with full power of substitution in the premises.

Dated —— —, 19—.

—— ——.

In the presence of

—— ——.

Copy of Specimen. The Kansas City, Ft. Scott and Memphis Railway Co. Stock Trust Certificate. Gtd. 4% Pfd. Stock.

9584 Ex. 30.

Missouri Pacific Railway Company.

Wages of Freight Train Crews Compared, Years 1900–1908.

Through Freight Service.

Class.			1900.	1908.
Conductors,	100 miles	.....	$3.00	$3.80
One Brakeman,	" "	.....	2.00	2.53
" "	" "	.....	2.00	2.53
Engineer,	" "	.....	4.00	4.78
Fireman,	" "	.....	2.32	3.00
Total		.....	$13.32	$16.64
Increase		.....	24.8 per cent	

Local or Way Freight Service.

Conductors,	100 miles	$3.46	$4.38
One Brakeman,	" "	2.31	2.92
" "	" "	2.31	2.91
" "	" "	2.31	2.92
Engineer,	" "	4.00	5.03
Fireman,	" "	2.32	3.20
Total		$16.71	$21.37
Increase		38.8 per cent	

Wages Passenger Train Crews Compared.

	1900.	1908.
Conductors, per day	$3.33	$5.00
Brakemen, " "	1.83	2.46
Engineer, " "	3.50	4.00
Fireman, " "	2.10	2.50
Total	$10.76	$13.96
Increase	29.7 per cent	

Wages Yard Crews Compared.

	1900.		1908.
Foreman, Per day (12 hours)	$2.73	(10 hours)	$3.90
One Switchman, " " " "	2.42	"	3.60
" " " " " "	2.43	"	3.60
Engineer, " " " "	2.66	"	3.75
Fireman, " " " "	1.85	"	2.25
Total	$12.10		$17.10
Increase wages	41.3 per cent		
Decrease Hours	16.6 "		
Total Increase Wages Trainmen and Yardmen	30.6 "		

9585 *Average Rate of Wages Paid Mechanics.*

	1900.	1908.	Per cent increase.
Blacksmiths	$2.73	$3.38	23.8
Boilermakers	2.93	3.70	26.2
Machinists	2.93	3.70	26.2
Tinners and pipe fitters	2.59	3.19	23.1
	1906.	1908.	
Telegraphers	$1.93	$2.18	13.

A very general increase of wages was made between November, 1906 and September, 1907, affecting 19,861 men, the general average being 10.6 per cent.

These advances increase labor pay rolls on the System annually, $1,375,000.00.

9586

Ex. 31.

Missouri Pacific Railway Co.

Comparative Cost of Material, Years—

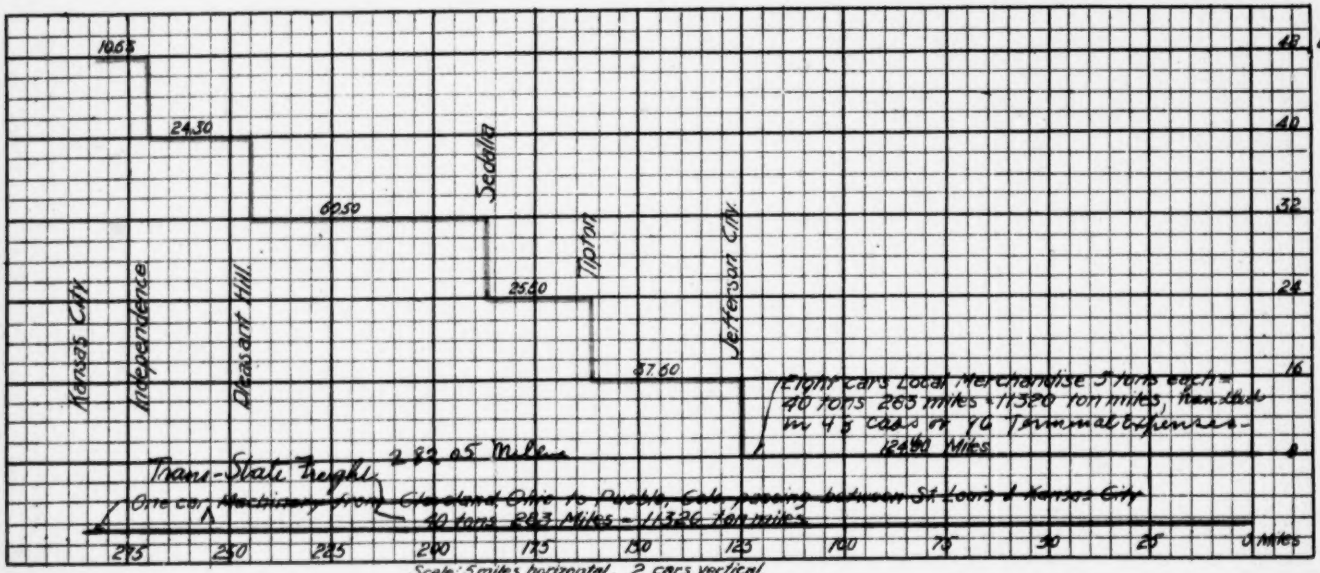
	1902.	1908.	Per cent increase.
Cross ties, per tie	38¢	60¢	58.
Yellow pine car siding, per 100 ft.	$14.00	$22.00	57.
Miscellaneous yellow pine lumber, per 1000 ft.	$9.00	$13.00	44.4
Bridge Lumber, per 100 ft.	$15.00	$25.00	66.6
Car Oak, per 100 ft.	14.00	15.00	7.
Track Switches	29.40	39.50	34.3
" Frogs	30.25	37.75	24.8
	1898.	1908.	
Angle Bars, per cwt.	$1.02	$1.60	56.1
Track bolts, " "	1.60	2.45	53.1
Track Spikes, " "	1.60	1.98	23.7
Lime, per bbl.	.40	.75	37.5
Cast Iron Pipe, per ton	14.60	27.00	84.9
Nails, per cwt.	1.25	2.05	64.0
Barb wire, per cwt.	1.80	2.45	36.1
Piling, per foot	.10	.16	60.0
Miscellaneous bridge timbers, per 1000 ft.	16.00	23.00	43.7
Bar Iron, per cwt.	1.00	1.75	75.0
Malleable Journal Boxes, 60,000 lb. cap. car	1.60 each	2.40	50.0
White lead, per cwt.	5.14	6.50	26.5
Freight Car decking, per 1000 ft.	13.00	21.00	61.6
Tank Steel, per cwt.	1.00	1.71	71.0
Car Axles, per cwt.	1.65	2.10	27.3
Malleable iron, per cwt.	2.40	3.50	45.9
Waste, per lb.	.3–½	.5–½	57.1
Chain, per cwt.	1.90	3.18	67.4
Forgings, per cwt.	1.95	2.90	48.8
Gray iron castings, per cwt.	1.40	1.80	28.6
Grain doors, 3′ x 6′, each.	.20	.41½	107.0

9587

	1902.	1908.	Per cent increase.
Locomotives, each	$14,634.00	$15,430.00	5.0
Box Cars, "	763.27	903.40	18.0
Coal " "	802.98	775.50	10.0
Coal, per ton	1.407	1.448	2.8

(Here follows diagram showing increasing terminal expenses, marked p. 9588.)

Ex 32-



Scale: 5 miles horizontal. 2 cars vertical.

Diagram showing progressive increasing Terminal Expenses on Local Merchandise Freight.

9589 Ex. 33.

EXHIBIT 7.

Passenger Statement.

	State.	Interstate.	Total.
Passengers carried	2,695,868	987,808	3,683,676
Carried One Mile	82,266,410	96,872,744	179,139,154
Carried One Mile Per Mile of road	72,593	85,482	158,075
Average miles hauled per passenger	30.52	98.07	48.63
Average revenue per passenger per mile exclusive of mail, express, etc.	$0.0196	$0.0183	$0.0189

Total passengers carried one mile were 179,139,154, of which 82,266,410, or 45.92% were state and 96,872,744 or 54.08% were interstate.

This shows the percentage upon passenger per mile basis.

The above based on figures for fiscal year ended June 30th, 1908.

9590 Ex. 34.

Comparative Cost of Fuel and Wages on Local and Through Freight Trains, and Tonnage Handled on the Main Line of the Missouri Division of the A. T. & S. F. Railway for the Months of July and August, 1908.

Local Trains.

	July.	August.
Trainmen	$1,293.25	$1,418.34
Wnginemen	1,049.29	1,085.36
Coal	1,432.74	1,541.76
Total	$3,775.28	$4,045.46
Net Ton Miles	885,918	911,986
Cost per 10,000 Ton-Miles	$42.61	$44.36

Through Trains.

Trainmen	$6,374.92	$6,989.00
Enginemen	5,346.26	6,135.16
Coal	9,370.95	11,701.08
	21,092.13	24,805.24
Net Ton-Miles	27,577,533	33,431,941
Cost per 10,000 Net Ton-Miles	$7.65	$7.42

9591 Ex. 35.

Fuel Consumption on Passenger Trains Missouri Division Main Line, Marceline to Kansas City, August and September, 1908.

	Cost of fuel.	Av. tonnage of train.	Cost per 100 ton miles.
No. 1	$9.45	528	.01627
2	9.90	555	.01322
3	6.98	379	.01434
4	4.89	376	.01183
5	10.17	500	.01849
6	9.95	605	.01495
7	8.07	455	.01612
8	5.72	572	.01058
9	7.48	390	.01744
10	6.01	435	.01256
19	6.22	126	.04488
20	5.67	127	.04058

9592 Ex. 36.

Estimated Reduction in Earnings on Commodities Affected by the Missouri Maximum Rate Law of 1907, *Six Months Ending December* 31, 1907.

Commodity.	Local Missouri earnings.	Avg. haul, miles.	Reduction under proposed rate for avg haul. Per cent.	Estimated reduction in earnings.
Grain	$10,572.00	62	29.4	$3,108.17
Flour	1,564.00	99	35.	547.40
Livestock	25,365.00	67	33.33	8,455.00
Stone & Sand	3,046.00	42	46.66	1,121.47
Salt	18.00	18	11. #	1.98#
Lumber & Shingles	2,036.00	82	18.75	387.37
Cement B. & L.	3,596.00	24	11. #	395.56#
Agl. Impts. & Vehls.	910.00	58	40.	364.00
	47,137.00			13,885.87

Increase.

Statistical Department, Chicago, July 23, 1908.

9593 Ex. 37.

Estimated Reduction in Earnings on Commodities Affected by the Missouri Maximum Rate Law of 1907, *Year Ending June* 30, 1908.

Commodity.	Local Missouri earnings.	Avg. haul, miles.	Reduction under proposed rate for avg. haul. Per cent.	Estimated reduction in earnings.
Grain	$16,340.00	53	29.40	$4,803.96
Flour	4,761.00	83	35.00	1,666.35
Livestock	49,186.00	63	33.33	16,378.94
Stone & Sand	4,573.00	43	46.66	2,133.76
Salt	18.00	18	11.00#	1.98#
Lumber & Shingles	4,285.00	80	18.75	803.44
Cement B. & L.	8,912.00	23	11.00#	980.32#
Agl. Impts. & Vhcls.	1,452.00	66	40.00	580.80
Total	$89,527.00			$25,384.95

Increase.

Statistical Department, Chicago, September 14, 1908.
To—A. L. Conrad.

9594 Ex. 38.

Comparative Results of Missouri Passenger Traffic for Years Immediately Preceding and Succeeding the 2 *Cent Rate Law.*

Intrastate, year 1907.	No. of passengers.	Passengers carried one mile.	Revenue.
June 19th to 30th	11,508	312,161	$5,479.90
July	32,669	818,879	16,089.64
Aug.	33,351	1,076,130	21,026.69
Sept.	34,774	978,104	19,213.14
Oct.	34,380	971,211	19,386.23
Nov.	24,849	692,115	13,703.03
Dec.	29,307	787,859	14,951.46
Jan.	25,327	660,297	12,679.80
Feb.	23,980	580,452	11,754.69
Mar.	26,848	651,141	12,760.09
Apr.	26,890	623,193	12,541.20
May	20,633	578,602	11,665.33
June	26,096	648,485	12,778.59
Total	350,612	9,378,629	184,029.79
Increase Per cent.	19.6	15.6	1.8

Year 1906.			
June 19th to 30th	8,910	261,134	6,200.47
July	24,523	1,029,342	20,388.73
Aug.	25,913	759,084	16,302.23
Sept.	32,076	577,258	14,268.67
Oct.	21,929	752,870	16,451.49
Nov.	18,941	553,811	11,984.67
Dec.	24,597	636,142	15,923.30
Jan.	21.643	503,678	12,947.32
Feb.	17,321	429,030	11,495.09
Mar.	21,833	599.048	13,597.65
Apr.	23,861	711,340	18,457.84
May	23,831	553,190	13,588.52
June	27,722	785,682	15,772.54
Total	293,100	8,111,609	187,378.52
Interstate, year 1907.			
June 19th to 30th	5,886	1,100,762	21,194.03
July	20,011	1,367,174	58,012.10
Aug.	20,753	3,372,294	56,435.41
Sept.	21,405	3,400,503	59,328.79
Oct.	23,131	3,715,748	66,818.38
Nov.	18,193	2,885,678	54,942.41
Dec.	19,583	3,159,851	59,781.03
Jan.	20,260	3,178,384	52,718.44
Feb.	17,854	2,952,660	49,376.86
Mar.	17,840	2,924,182	47,437.46
Apr.	18,177	3,018,220	49,301.98
May	17,584	3,037,756	50,088.39
June	23,609	3,979,545	61,929.22
Total	244,286	38,092,757	687,364.50
Increase Per cent	22.6	19.1	9.0

9595 Interstate, year 1906.	No. of passengers.	Passengers carried one mile.	Revenue.
June 19th to 30th	8,015	1,271,158	$22,632.28
July	14,867	2,129,362	39,068.46
Aug.	18,401	3,130,907	51,924.71
Sept.	16,817	2,930,307	57,490.00
Oct.	16,276	2,549,745	48,460.60
Nov.	15,563	2,235,698	44,457.25
Dec.	15,420	2,792,951	57,628.99
Jan.	13,591	2,290,432	52,231.33
Feb.	15,649	2,634,954	46,174.60
Mar.	15,174	2,356,537	47,931.38
Apr.	14,685	2,286,738	54,485.06
May	14,316	1,964,010	40,986.20
June	20,426	3,420,109	67,160.20
Total	199,200	31,992,908	630,631.06

Statistical Department, Chicago, Nov. 7, 1908.

9596 Ex. 39.

Results of Actual Check of All Passenger Trains on the Main Line of the A., T. & S. F. Ry. in Missouri, Nov. 16th to 24th, Inclusive.

25* *Dec.* 6, '08.*

Through Trains Train Miles	18,693
Local " " "	3,618
Total " "	22,311
Interstate Passengers on Through Trains	4,664
State " " "	2,554
Interstate " Local "	227
State " " "	2,810
Earnings from Interstate Passengers on Through Trains	$14,391.41
" " State " " "	2,039.04
" " Interstate " Local "	169.40
" " State " " "	1,159.56
Earnings per Interstate Passenger on Through Trains	$3.08
" " State " " "	.80
" " Interstate " Local "	.74
" " State " " "	.42
Passengers carried 1 mile on Through Trains, Interstate	719,571
" " 1 " do. State	101,952
do. Local " Interstate	8,470
do. " " State	57,978
Av. Miles Haul per Pass. Through Trains Interstate	154
do. State	40
do. Local trains Interstate	37
do. State	21
Av. cost per Pass. train for year per mile	$1.04.8
Proportion of passenger earnings to Pass. train earnings	65.77%
Passenger proportion of Pass. Train expense per mile	68.93c.
Total passenger expense on through trains	$12,885.08
do. local trains	2,493.89
Av. cost per passenger per mile Through Trains	1.5684c
do. Local "	3.753c.

* [In pencil in copy.]

Summary.

Cost Interstate Passengers on Through Trains.....	$11,286.12
do. Local "	317.88
Total cost Interstate Passengers.....	$11,604.00

(Equal to 1.591 cents per Passenger Mile.)

Local terminal costs:

Cost of State Passengers on Through Trains....	$1,599.06
do. Local "	2,175.91
Total cost of State Passengers.....	$3,774.97

Equal to 2.36 cents per Passenger Mile, or 48.33% more than Interstate.

9597 Ex. 40.

Results of Actual Check of All Passenger Trains on the Main Line of the A., T. & S. F. Ry. in Missouri, Nov. 25th to Dec. 6th, '08, Inclusive.

Through Trains Train Miles.....	24,120
Local " " "	4,824
Interstate Passengers on Through Trains.....	6,247
State " " "	3,600
Interstate " Local "	247
State " " "	4,096
Earnings from Interstate Passengers on Through Trains..	$20,233.05
" " State " " " ..	3,083.54
" " Interstate " Local " ..	167.52
" " State " " " ..	1,671.36
Earnings per Interstate Passenger on Through Trains...	$3.24
" " State " " " ...	.86
" " Interstate " Local " ...	.68
" " State " " " ...	.40
Passengers carried 1 mile on Through Trains, Interstate.	1,011,652
do. State.....	154,177
do. Local " Interstate.	8,376
do. " " State.....	83,568
Av. Miles Haul per Pass. Through Trains, Interstate.....	162
do. State.....	43
do. Local " Interstate.....	34
do. State.....	20

Av. cost per Pass. train for year per mile.....	$0.04.8
Proportion of passenger earnings to Pass. train earnings.	65.77 %
Passenger proportion of Pass. train expense per mile.....	68.93c.
Total passenger expense on through trains.....	$16,625.92
do. Local trains.....	3,325.18
Av. cost per passenger per mile Through Trains.....	1.426c.
do. Local "	3.6165c.

Summary.

Cost, Interstate Passengers on Through Trains.....	$14,427.20
do. Local "	302.93
Total cost, Interstate Passengers.....	$14,730.13

(Equal to 1.444 cents per Passenger Mile)

Cost of State Passengers on Through Trains.....	$2,198.72
do. Local "	3,022.25
Total cost of State Passengers.....	$5,220.97

Equal to 2.154 cents per Passenger Mile or 49.2 % more than Interstate.

9598 Ex. 41.

Analysis of Relative Cost of Transportation of Interstate and State Freight in the State of Missouri, Nov. 18 to 24, 1908, Inc.

Through freight train miles Main Line Missouri Riv. Div. 6 Days.....	15,046
Local freight train miles Main Line Missouri Div. 6 Days.....	2,234
Total train miles 6 days.....	17,280
Cost 15,046 thro' train miles at 1.6964 (Avg. for 12 Mos.)..	$25,524.03
Less 11.38 Cents per train mile (Avg. for 12 Mos.) for handling Exp.....	1,712.23
	$23,811.80
Cost 2234 Local train Miles at 1.6964 (Avg. for 12 Mos.)...	3,789.76
Less 11.38 Cents per train mile (Avg. for 12 Mos.) for Handling Exp.....	254.23
	3,535.53

Analysis of Through Trains:

Trans-state	tons 29054	Ton-Miles	...	5,411,836
Interstate	" 9745	"	...	797,201
State	" 1905	"	...	83,795
				6,292,832

Analysis of Local Trains:

Interstate	Tons 2024	Ton-Miles	...	165,553
State	" 863	"	...	37,951
				203,504

Trans-State..	5,411,836
Interstate.....	962,754
State.....	121,746

Thro' Trains $23,811.80 ÷ 6,292,832 ton miles equals 3.784 mills per TM.

Local Trains $3,535.53 ÷ 203,504 ton miles equals 17.373 mills per TM.

Interstate Tons 11,769 Handled once equals 11,769
State " 2,768 " twice " 5,536
Total 17,305 Tons.

Handling Exp. Thro' Trains $1,712.23
" " Local " 254.23
1,966.46 ÷ 17,305 equals 11.363 per ton.

Summary.

Cost of Interstate Freight Traffic:

5,411,836	Trans-State	ton-miles	at	3.784	mills	equals...		20,478.21
797,201	Interstate	"	"	3.784	"	"	...	3,016.58
165,553	"	"	"	17.373	"	"	...	2,876.15
6,374,590								26,370.94
Handling Expenses 11,769 tons at 11.363 equals.....								1,337.38
								27,708.32

Average cost interstate Freight per ton-mile..... 4.35 mills.

Cost of State freight traffic:

83,795	State	ton-miles	at	3.784	Mills	equals.....		317.07
37,951	"	"	"	17.373	"	"	.....	659.32
121,746								976.39
Handling Expenses 5,536 Tons at 11.363 Cts.....								629.08
								1,605.47

Average cost state freight per ton-mile..... 13.19 mills.

9599 Ex. 42.

Analysis of Relative Cost of Transportation of Interstate and State Freight in the State of Missouri, November 30th to December 6th, 1908, Inclusive.

Through Freight train miles Main Line Missouri Div. 7 days..	11,722
Local ..	2,274
	13,996
Cost 11,722 thru train miles at 1.6964 (Av. for 12 Mos.)..	$19,885.20
Less 11.38 cents per train mile (Av. for 12 mos.) for handling exp.....	1,333.96
	$18,551.24
Cost 2274 local train miles at 1.6964 (Av. for 12 mos.).....	$3,857.61
Less 11.38 cents per train mile (Av. for 12 mos.) Handling Exp.....	258.68
	$3,598.93

Analysis of Through Trains:					
Trans State tons	23,011	Ton Miles	4,579,108		
Interstate "	6,191	"	1,005,071		
State "	1,511	"	60,640	Trans state..	4,579,108
			6,644,819	Interstate...	1,174,664
Analysis of Local Trains:				State.....	89,849
Interstate Tons	2039	ton miles.....	169,493		5,843,621
State "	892	"	29,208		
			198,701		

Thru Trains $18,551.24 ÷ 5,644,914 ton miles equals 3.286 mills per TM.

Local Trains 3,598.93 ÷ 198,701 ton miles equals 18.112 mills per TM.

Interstate Tons	8,230	Handled once equals	8,230	Total 13,036 tons.
State "	2,403	" twice "	4,806	
Handling Exp.	Thru Trains	$1,333.96	1,592.64 ÷ 13,036 tons equals	
"	Local "	258.68	12.217 cts. oer Ton.	

Summary.

Cost of Interstate Freight Traffic:

4,579,108	Trans State ton-miles	at	3.286	mills	equals	$15,048.15
1,005,171	Interstate "	"	3.286	"	"	3,303.39
169,493	" "	"	18.112	"	"	3,070.26
						$21,421.80
Handling Expenses 8,230 tons at 12.217 equals						1,005.48
						$22,427.28
Making average cost Interstate Freight per ton mile						3.90 Mills

Cost of State Freight Traffic:

60,640	State ton-miles	at	3.286	Mills	equals $199.26
29,208	do.		18.112	do.	529.11
					$728.37
Handling Expenses 4,806 tons at 12.217 cents					587.16
					$1,315.52

Making average cost State Freight per ton-mile..... 14.64 mills
(Or 3¾ times as much)

9600 Ex. 43.

Memo. Showing Comparative Cost of Various Classes of Railroad Material, Based on Actual Contract Figures for the Years 1897 *and* 1906 *Respectively for the A., T. & S. F. System.*

Commodity.	1897 prices.	1906 prices.	Per cent increase.
Sawn Ties, Pine, Each	.18	.56	211.0
Hewn " " "	.19	.52	173.7
" " " "	.35	.65	85.7
Lumber, Yellow Pine, Low Grade.	10.50	22.00	108.7
" " " High Grade	17.75	31.50	77.5
Steel Rail, Per Ton	18.00	30.80	71.1
Spikes, " 100	1.47½	2.00	34.9
Track Bolts, " "	2.20	2.80	27.3
Bar Iron, " "	1.20	1.90	58.3
Coal, " Ton	1.14	1.70	49.1
Nails, " 100	1.45	2.00	38.0
Bridge Girders, " "	1.93	3.20	65.8
" Beams " "	2.09	2.85	36.6
" Spans, " "	2.20	3.00	36.4
Wheels, Each	6.00	8.55	42.5
Freight Cars, 60,000 Lbs. Capacity.	575.00	950.00	65.2
Locomotives (Same unit of capacity)	10,680.00	18,154.81	70.0

(Here follow Individual Record of Locomotives, marked pp. 9601 to 9604.)

SANTA FE

INDIVIDUAL RECORD OF LOCOMOTIVES

1 + 1 S F RAILWAY. _____ 190__

COST OF SERVICE			ENGINE MILES				GROSS TON-MILES		TRACTION TON-MILES (Tons on Drivers X Miles Run)		REMARKS
Cost	Wages	Other Supplies	PASS.	FRT.	WORK	SWITCH	PASS.	FRT.	PASS.	FRT.	
198 14	315 90	10 42		1 669	1 044			688 217			
268 50	237 81	15 51		1 604	366	2 64		511 778			
285 13	249 14	23 58	65	2 121			3 421	684 839			
138 78	127 00	14 43		830				286 893			
68 20	65 91	6 34		268	162			23 554			
—	—	—		—							
—	—	1 86	510 68	—							
206 10	256 71	17 38	807 36	66 1 784	312		11 445	469 579			
281 89	320 75	18 19	668 38	2 550	156			698 084			
215 09	226 06	7 94	552 06	1 770				497 348			
206 06	259 52	24 76	690 38	1 640				485 062			
290 79	222 06	13 82	664 43	1 770	70			613 258			
186 00	127 49	10 11	796 08	717	8			214 359			
249 61	325 19	21 21	635 16	2 363				677 898			
264 59	344 98	13 75	675 17	2 641	36	63		527 224			
482 99	281 23	9 61	945 36	71 2 367		12	16 570	558 340			Total Repairs included $2.25 Wrecking " " $0.80 " "
306 64	288 38	19 29	723 39	2 337	6			564 252			
117 62	78 84	2 79	627 00	790				211 100			
277 54	277 53	6 67	688 58	2 510				533 902			
246 77	273 19	6 62	601 00	2 397				644 087			
139 20	155 59	4 48	335 53	1 164				311 422			
290 81	351 74	8 37	727 43	2 572	63	42		662 817			
136 83	150 84	1 92	338 05	1 308				316 195			
305 19	346 86	7 25	737 32	2 555				647 093			
351 25	289 36	36	763 82	2 398				665 511			
513 70	5 622 08	266 66	14 897 83	202 42 125	2 223	381	31 376	11 486 877			Repairs Cost $0.35 per 1000 GTM

9601

GL 44-a

SANTA FE

INDIVIDUAL RECORD OF LOCOMOTIVES

Assigned To Trains 59 & 60 — A T & S F RAILWAY. — 190

ENGINE NO.	Month	DIVISION ASSIGNED TO	COST OF SERVICE: Running Repairs	Total Repairs	FUEL: Tons	FUEL: Cost	Wages	Other Supplies	TOTAL	ENGINE MILES: PASS.	FRT.	WORK	SWITCH	GROSS TON-MILES: PASS.	FR
287	Oct. 06	Missouri	59 25	59 25	203	308 26	290 14	15 63	673 28		2 659	288			7
	Nov. "		94 78	94 78	183	274 95	274 90	10 68	655 31		2 950				6
	Dec. "		14 34	14 34	58	89 90	69 45	6 11	179 80		360	24			
	Jan. 07		29 30	29 30	52	85 58	61 09	6 00	181 97	59	461	106		4 481	5
	Feb. "		90	90	—	—	—	06	96						
	Mar. "			746 35	—	—	—	3 21	749 56						
	Apr. "		47 62	47 62	215	338 39	275 36	21 67	683 04		2 336	216			8
	May "		41 12	426 04	130	205 19	301 56	9 61	941 39		2 373	12			7
	June "		42 97	42 97	223	342 82	321 34	16 56	723 69	70	2 755			5 042	8
	July "		38 06	38 06	203	306 15	355 45	8 47	708 13		3 103		30		8
	Aug. "		38 80	38 80	241	366 85	367 21	15 31	788 17		2 645	231			8
	Sept. "		100 75	100 75	238	377 74	340 77	11 34	830 60		2 442	84			7
	Oct. "		137 00	137 00	191	300 39	350 84	780	796 03	75	2 334	132		6 799	5
	Nov. "		113 32	327 63	91	142 70	237 39	26 81	734 53		1 359	188			4
	Dec. "		56 15	56 15	65	102 71	343 59	11 56	514 01		2 419	83	26		6
	Jan. 08		62 81	62 81	259	393 63	315 99	13 08	785 51		1 789	553	7		5
	Feb. "		48 98	159 29	275	435 00	287 47	9 85	891 61		2 169	18			4
	Mar. "		19 90	152 82	245	382 26	316 31	12 60	863 98		2 446				6
	Apr. "		16 22	457 11	173	265 31	227 18	10 14	960 34	79	1 880			44 919	5
	May "		140 77	140 77	248	357 28	341 56	8 64	848 25		2 725				7
	June "		42 72	42 72	176	252 95	376 98	6 06	678 71	129	2 185			7 275	5
	July "		5 126	51 26	132	190 78	156 53	4 59	403 16		1 310				3
	Aug. "		159 66	159 66	223	328 68	331 01	7 87	827 22		2 631				6
	Sept. "		111 13	112 05	213	319 31	316 81	8 54	756 71		2 323		108		6
	Oct. "		109 75	110 51	255	425 43	322 29	7 01	865 24		2 642				6
	Total		1 577 56	3 608 54	4 292	6 592 25	6 581 22	259 19	17 041 20	412	50 296	1 935	171	68 516	140

SANTA FE

INDIVIDUAL RECORD OF LOCOMOTIVES

A T & S F RAILWAY. 190

COST OF SERVICE											ENGINE MILES				GROSS TON-MILES		TRACTION TON-MILES (Tons on Drivers X Miles Run)		REMARKS
	FUEL				Wages		Other Supplies		TOTAL		PASS.	FRT.	WORK	SWITCH	PASS.	FRT.	PASS.	FRT.	
	Tons		Cost																
25	203		388	26	290	14	15	63	673	28		2 659	288			742 573			
78	183		274	95	274	90	10	68	655	31		2 950				693 514			
34	58		89	90	69	45	6	11	179	80		360	24			91 206			
30	52		85	58	61	09	6	00	181	97	59	461	106		4 481	53 020			
90	—		—		—			06		96									
35	—		—		—		3	21	749	56									Total Repairs Includes 137 Cyl.
62	215		338	39	275	36	21	67	683	04		2 336	216			813 940			
04	130		205	19	301	56	9	66	941	39		2 373	121			796 712			
97	223		342	82	321	34	16	56	723	69	70	2 755			5 042	874 832			
56	203		306	15	355	45	8	47	708	13		3 103		30		885 840			
80	241		366	85	367	21	15	31	788	17		2 645	231			830 372			
75	238		377	74	340	77	11	34	830	60		2 442	84			741 531			
00	191		300	39	350	84	7	80	796	03	75	2 334	132		6 799	584 446			
63	91		142	70	237	89	26	81	734	53		1 359	188			413 629			
15	65		102	71	343	59	11	56	514	01		2 419	83	26		642 259			
81	259		393	63	315	99	13	08	785	51		1 784	553	7		571 208			
29	275		435	00	287	47	9	85	891	61		2 169	18			463 941			Total Repairs Includes "1884 Work C
82	245		382	20	316	31	12	60	863	98		2 446				624 996			" " 99.66
21	173		265	31	227	18	10	14	960	34	79	1 880			44 919	538 032			" " 166.13
77	248		357	28	341	56	8	64	848	25		2 725				759 998			
73	176		252	95	376	98	6	06	678	71	129	2 185			7 275	568 615			
26	132		190	78	156	53	4	59	403	16		1 310				385 020			
66	223		328	68	331	01	7	87	827	22		2 631				687 093			
05	213		319	31	316	81	8	54	756	71		2 323		108		664 536			
51	255		425	43	322	29	7	01	865	24		2 642				655 590			
54	4292		6592	25	6 581	22	259	19	17 041	20	412	56 296	1 935	171	68 516	14 088 903	Avg. Rep. 25.67		Stops. 1000 Ty Ti

9602

Ex 44 H

SANTA FE

INDIVIDUAL RECORD OF LOCOMOTIVES

A T & S. F Railway. 190

ENGINE NO.	Mo/Yr.	DIVISION ASSIGNED TO	COST OF SERVICE: Running Repairs	Total Repairs	FUEL: Tons	FUEL: Cost	Wages	Other Supplies	TOTAL	ENGINE MILES: PASS.	FRT.	WORK	SWITCH	GROSS TON-MILES: PASS.	FRT.
1816	Dec 06	Missouri	86 42	86 42	325	346 22	219 78	64 30	716 72	106	1 851	36		69 000	2 187
	Jan 07		106 44	123 27	314	514 59	285 66	51 99	975 51	216	2 308	84		101 633	2 529
	Feb "		65 97	65 97	344	522 83	335 35	23 71	997 86	106	2 243	444		119 697	2 476
	Mar "		36 91	274 20	260	416 10	170 79	16 81	877 90	224	1 423	60		11 130	1 484
	Apr "		111 33	111 33	331	525 19	326 94	21 04	984 50	116	2 932	276		54 603	3 395
	May "		91 60	91 60	349	546 97	358 86	19 16	1 016 59	18	3 112	42		14 993	3 572
	June "		88 46	88 46	357	556 37	371 69	23 43	1 039 95	212	3 424	78		127 796	3 992
	July "		73 44	485 23	160	241 49	198 84	12 83	998 39	107	1 414			58 947	1 718
	Aug "		147 41	353 67	246	376 12	278 89	18 87	1 027 55		2 393	90			2 781
	Sept "		150 96	150 36	391	620 76	413 82	11 37	1 196 31	212	3 395	196		113 796	3 886
	Oct "		143 07	143 07	418	657 65	486 59	23 14	1 230 45		3 233	285			3 863
	Nov "		188 57	188 57	358	562 66	447 69	13 39	1 212 31	88	2 906		19	4948	3 179
	Dec "		199 20	411 42	312	481 06	259 35	34 64	1 186 50	214	2 287			78 189	2 622
	Jan 08		238 52	338 57	325	493 49	328 03	9 65	1 169 74	162	2 318	98		76 373	2 937
	Feb "		145 69	197 78	319	503 64	354 46	15 42	1 071 30		3 135				3 329
	Mar "		206 80	206 80	292	457 72	321 71	17 23	1 002 66		2 725				3 218
	Apr "		260 87	260 87	317	486 45	315 45	12 50	1 075 27	106	2 845			68 472	3 319
	May "		321 92	321 92	302	433 84	309 69	12 49	1 077 94	180	2 350			65 525	2 616
	Jun "		39 95	58 80	55	80 29	43 39	1 72	184 20		327				453
	July "		97	1 017 75				5 64	1 023 39						
	Aug "		9 33	11 63				1 02	12 65						
	Sept "		6 59	6 59				1 52	8 11						
	Oct "		15 55	15 55					15 55						
	Total		2 734 62	5 089 08	5 675	8 867 44	5 747 01	411 87	20 035 40	2 067	46 571	1 689	19	915 105	52 951
														℔ Avg	Cost

SANTA FE

INDIVIDUAL RECORD OF LOCOMOTIVES

A T & S. F. RAILWAY. 190

COST OF SERVICE				ENGINE MILES				GROSS TON-MILES		TRACTION TON-MILES (Tons on Drivers X Miles Run)		REMARKS
FUEL Cost	Wages	Other Supplies	TOTAL	PASS.	FRT.	WORK	SWITCH	PASS.	FRT.	PASS.	FRT.	
5 346 22	1 319 78	64 30	716 77	106	1 851	36		69 000	2 187 842			Put in service Dec. 06.
4 514 59	295 66	51 99	975 51	216	2 308	84		101 633	2 529 133			
4 572 83	335 35	23 71	997 86	106	2 243	444		119 697	2 476 914			
0 416 10	170 79	16 81	877 90	224	1 423	60		11 130	1 484 701			
1 525 19	326 94	21 04	984 50	116	2 932	276		54 603	3 395 055			
49 546 97	358 86	19 16	1 016 59	18	3 112	42		14 993	3 572 194			
7 550 37	371 69	23 43	1 033 95	212	3 424	78		127 796	3 992 657			
0 241 49	198 84	12 83	998 39	107	1 414			58 947	1 718 424			
46 376 12	278 89	18 87	1 027 55		2 393	90			2 781 688			
1 620 76	413 82	11 37	1 196 31	212	3 395	196		113 796	3 886 492			
18 657 65	406 59	23 14	1 230 45		3 233	285			3 863 475			
58 562 66	447 69	13 39	1 212 31	88	2 906		19	4948	3 179 465			
2 481 06	259 38	34 64	1 186 50	214	2 287			78 189	2 622 515			
25 493 49	328 03	9 65	1 169 74	162	2 318	98		16 373	2 937 855			
9 503 64	354 46	15 42	1 071 30		3 135				3 329 842			
92 457 72	321 71	17 23	1 002 66		2 725				3 215 270			
7 486 45	315 45	12 50	1 075 27	106	2 845			68 492	3 319 208			
02 433 84	309 69	12 49	1 077 94	180	2 350			65 525	2 616 166			
55 80 29	43 39	1 72	184 20		327				453 857			
		5 64	1 023 39									
		1 02	12 66									
		1 52	8 11									
			15 55									
05 8 867 44	5 747 01	411 87	20 035 40	2 067	46 571	1 689	19	915 105	52 951 758			

Avg Cost Repairs 9.3 cts per 1000 GTM

9603

Eq 44-C

SANTA FE

INDIVIDUAL RECORD OF LOCOMOTIVES

4 T + S F. RAILWAY.

ENGINE NO.	Month	DIVISION ASSIGNED TO	COST OF SERVICE: Running Repairs	Total Repairs	FUEL: Tons	FUEL: Cost	Wages	Other Supplies	TOTAL	ENGINE MILES: PASS.	FRT.	WORK	SWITCH	GRO: PASS.
1819	Dec. 06	Missouri	154 30	154 30	219	337 27	228 91	55 91	776 39		1 751	36		
	Jan. 07		120 31	120 31	319	522 02	295 47	22 42	960 22	328	2 494	36		144
	Feb. "		68 15	71 39	226	377 71	229 22	13 42	691 74		2 066	66		
	Mar. "		68 92	179 66	36	58 27	37 89	21 40	896 42		184	24		
	Apr. "		125 88	177 30	227	359 72	213 86	25 02	777 90		2 165			
	May "		77 42	77 42	273	428 35	331 34	14 37	851 48		2 117	642		
	June "		102 49	102 49	345	531 35	384 03	28 30	1 046 17	106	3 348	36		6
	July "		242 62	242 62	348	524 46	301 31	33 68	1 102 07		3 168	118		
	Aug. "		145 85	145 85	347	529 85	374 97	23 02	1 073 69	106	2 641	333		4
	Sept. "		222 98	253 34	329	522 14	381 46	10 92	1 167 86	106	3 358	64		73
	Oct. "		84 72	252 44	188	298 66	251 32	13 84	845 66		1 501	180		
	Nov. "		122 51	558 39	184	289 44	249 72	18 23	1 115 78	282	1 605	43		176
	Dec. "		198 25	198 25	403	621 70	371 68	18 64	1 209 67		3 661		27	
	Jan. 08		231 99	231 99	392	593 99	366 96	37 71	1 230 65		3 112			4
	Feb. "		125 60	125 60	361	570 78	400 11	15 73	1 112 22		2 880	234		
	Mar. "		214 86	214 86	361	565 61	343 58	17 80	1 141 25		3 653			
	Apr. "		208 78	208 78	300	461 03	260 58	15 65	941 04	106	2 379			4
	May "		161 71	176 60	293	421 87	238 21	4 60	841 28	44	2 246			2
	June "		136 20	136 20	326	467 93	369 50	19 69	993 32	321	2 439			23
	July "		289 23	289 23	290	414 99	312 69	10 96	1 027 81	154	1 961	119		6
	Aug. "		247 66	290 44	277	407 91	278 61	14 09	991 05	99	2 429			5
	Sept. "		125 11	125 11	249	373 13	227 68	10 73	736 65	304	2 012			4
	Oct. "		184 12	184 12	346	518 54	381 12	14 82	1 158 60	106	3 125			
	Total		3 654 66	5 111 69	6 629	10 255 46	6 860 82	460 95	22 688 92	2 062	55 094	1 925	27	70 0

9604

SANTA FE

INDIVIDUAL RECORD OF LOCOMOTIVES

A T + S F RAILWAY. 190

COST OF SERVICE													ENGINE MILES				GROSS TON-MILES				TRACTION TON-MILES (Tons on Drivers X Miles Run)		REMARKS
	FUEL				Wages		Other Supplies		TOTAL				PASS.	FRT.	WORK	SWITCH	PASS.		FRT.		PASS.	FRT.	
	Tons		Cost																				
6	219		337	27	228	91	55	91		776	39			1 751	36				2	089	649			Put in service Dec
1	319		522	02	295	47	22	42		960	22		328	2 494	36			144	481	2	503	647			
9	226		377	71	229	22	13	42		691	74			2 066	60					2	379	094			Total Gross Tonnage 3,24
66	36		58	27	37	89	21	40		896	42			184	24						174	727			" " 313.38
0	227		359	72	213	86	25	62		777	90			2 165						1	843	004			" " 151.42
2	273		428	35	331	34	14	37		851	48			2 117	642					2	321	251			
9	345		531	95	384	03	28	30	1	046	17		106	3 348	36			60	166	4	488	076			
2	348		524	46	361	31	33	65	1	102	07			3 168	118					3	732	208			
5	347		529	85	374	97	23	02	1	073	69		106	2 641	333			48	797	3	610	770			
4	329		522	14	381	46	10	92	1	167	86		106	3 358	64			73	469	3	355	673			
4	188		298	66	281	32	13	84		845	66			1 501	180					1	829	981			
9	184		289	44	249	72	18	23	1	115	78		282	1 605	43			176	991	1	613	466			
5	403		621	70	371	68	18	64	1	219	67			3 661		27				3	414	265			
9	392		593	99	366	96	37	71	1	230	65			3 112				43	254	3	605	415			
0	361		570	78	400	11	15	73	1	112	22			2 886	234					2	811	582			
6	361		565	01	343	58	17	80	1	141	25			3 653						3	280	244			
8	300		461	03	260	58	15	65		941	04		106	2 379				46	402	2	541	297			
0	293		421	87	238	21	4	60		841	28		44	2 246				20	731	2	295	087			
0	326		467	93	369	50	19	69		993	32		321	2 439				237	721	2	316	325			
3	290		414	93	312	69	16	96	1	027	81		154	1 961	119			65	179	2	436	702			
4	277		407	91	278	61	14	09		991	05		99	2 429				53	168	2	664	890			
1	249		373	13	227	68	10	73		736	65		304	2 012				40	537	2	494	601			
2	346		518	54	381	12	14	82	1	158	60		106	3 125						3	612	136			
9	6 629	10	255	46	6	860	82	460	95	22	688	92	2 062	55 094	1 925	27	70	011	096	61	708	595			

Avg Cost Rep. $ 15 cts per 1000 T.T.

Ex 44 - d

9605

Ex. 45.

Revised.

EXHIBIT 1.

Statement of the Atchison, Topeka & Santa Fe Railway Company as to Missouri Earnings and Expenses for July, 1907, to December, 1907, Inclusive.

(1) In the next two paragraphs hereof, there is produced a statement showing the Missouri earnings and operating expenses of the company for the months of July, 1907, to December, 1907, inclusive. This statement shows (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses proportioned as between passenger and freight and states according to the formula herewith presented as Exhibit 2; (*c*) the more difficult matter, i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(2) *Earnings.*

	Interstate.	State.	Total.
Freight	1,872,915.00	141,133.00	2,014,048.00
Miscellaneous (undivided as between state and interstate)			65,833.56
Total Freight			$2,079,881.56
Passenger	355,318.12	104,370.19	459,688.31
Mail, express and miscellaneous (undivided as between state and interstate)			226,080.00
Total Passenger			$685,768.31

Inasmuch as differences might arise between complainant and the state as to the method of apportioning miscellaneous freight and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid
9606 confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

(3) *Expenses (Undivided as Between State and Interstate).*

	Freight.	Passenger.
Maint. W. & S.	315,757.62	245,024.46
Maint. Equip.	340,850.95	90,412.19
Traffic Exp.	26,914.07	26,979.60
Transportation Exp.	657,327.91	198,726.77
General Expenses	22,652.95	15,953.53
Taxes	26,966.45	8,917.83
Rentals	24,630.20	2,993.14
Total	1,415,100.15	583,021.24

(4) *Percentages (the Percentages Ascertained from Earnings).*

Character.	Amount.	Per cent of freight earnings.	Per cent of all earnings.
Interstate freight	1,872,915.00	90.05	67.72
State freight	141,133.00	6.79	5.10
Miscellaneous	65,833.56	3.16	2.38
	2,079,881.56	100.	

		Per cent of passenger earnings.	
Interstate Passenger	355,318.12	51.81	12.85
State Passenger	104,370.19	15.22	3.77
Mail, Express & Miscellaneous	226,080.00	32.97	8.18
	$685,768.31	100.	100.
Total	2,765,649.87		

(5) *State Freight Expense.*

The total freight operating expenses (undivided as between state and interstate business) including taxes and rentals, but exclusive of interest are $1,415,100.15 of which Interstate freight is 90.05%, or $1,274,297.69, and state freight is 6.79%, or $96,085.30.

9607 (6) *Summary.*

(a) The state freight earnings as above shown are	$141,133.00
From which should be deducted operating expenses as aforesaid	$96,085.30
Leaving	45,047.70

(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the maximum Freight Act of 1907, which, as shown by Exhibit 3, hereto attached are..... 13,885.87

Leaving..... $31,161.83

(*c*) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 3.07% of all freight expenses..... $1,415,100.15

or $43,443.57; if twice as much, 5.93% of all freight expenses, $1,415,100.15; or $83,915.44, if three times as much 11.15% of all freight expenses, $1,415,100.15; or $157,783.67, all as shown by exhibit 4 hereto attached.

On basis of state freight costing 50% more, or $43,443.57 as above shown, a deficit of $12,281.74 would result.

(*d*) To the deficit above shown, there should be added interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is, 5.10% This percentage of all interest for six months, $351,658.11 = $17,934.56 producing a deficit of $30,216.30.

9608 (*e*) From this sum should also be deducted a sum equaling 6% annual interest for six months upon 5.10% of the actual value of the road, if found by the court, over and above the bonded indebtedness—in other words, the equity in the property, or $18,-836.26. This would leave deficit of $49,052.56. This latter sum will represent the actual loss upon the state freight business.

(*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return, should be ascertained regardless of the bonded indebtedness and outstanding stock then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon —% of the entire value of the property, $—; or $—.

(*g*) This value may become unnecessary to determine as a deficit may appear from the state's own valuation. The assessment of the state board for 1907 was $18,500.00 per mile, or $5,030,404.00 for the state at one-third of its actual value. So the state by action of its taxing board, has practically conceded the total valuation of $15,-091,212.00. 6% annual interest for six months upon 5.10% of which value is $23,089.55. So this is the amount the company is entitled to earn under the State Board's valuation basis.

If, however, the court should find the actual value to be in excess of the State Board's valuation, then there should be added 6% annual interest for six months upon this additional value so found, or $—.

9609 (7) *Passenger Earnings and Expenses.*

The total passenger operating expenses (undivided between state and interstate business) including taxes and rentals, but exclusive of interest, are $583,021.24 of which Inter-state passenger is 51.81%, or $302,063.30 and State passenger is 15.22%, or $88,735.83.

(*a*) The state passenger earnings as shown (Item 4) are	$104,370.19
From which should be deducted operating expenses as aforesaid	$88,735.83
Leaving	$15,634.36

(*b*) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 25% more this would be 3.11% of all passenger expenses $583,021.24, or $18,131.96, if 35% more 4.29% of all passenger expense, $583,021.24, or $25,011.61, if 50% more, 6.00% of all passenger expenses, $583,021.24, or $34,981.27 all as shown by Exhibit 7 hereto attached.

On basis of State passenger business costing 25% more, or $18,131.96 as shown above, the deficit would be $18,131.32—$15,634.36—$2,496.76.

(*c*) To the deficit above shown there should be added interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to State passenger. This upon the revenue basis is 3.77%. This percentage of all interest for six months, $351,658.11 $13,257.51 producing a deficit of $15,754.27.

9610 (*d*) To this deficit should also be added a sum equaling 6% annual interest for six months upon 3.77% of the actual value of the road, if found by the court over and above the bonded indebtedness—in other words, the equity in the property, or $13,924.06. This would make the deficit $29,678.33. This latter sum will represent the actual loss upon the state passenger business.

(*e*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded indebtedness and outstanding stock, then there must be ascertained the value of the entire property in the state and the further sum to be added to the deficit would be 6% annual interest for six months upon —% of the entire value of the property $—, or $—.

(*f*) This value may become unnecessary to determine as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the State Board of Equalization shows the rate to be confiscatory. The assessment for 1907 was $5,030,404.00, and this was as will be conceded by the State, upon one-third of the value as determined by that body. This makes a valuation of $15.091,212.00, 6% annual interest for six months upon 3.77% of which value is $17,068.16. So this is the

amount the company would be entitled to earn under the State Board's valuation basis.

(*g*) As having a direct bearing upon the question of value, there is attached hereto as Exhibit 8, a statement of the bond and stock issue of the company.

9611 EXHIBIT 2.

This is prepared so as to show the formula followed in the ascertainment and division of earnings and expenses, except that expenses after being localized in Missouri are not divided between state and interstate.

Earnings.

Freight:

Were apportioned and stated separately, for intrastate and interstate business, as follows:

Intra-state:

Consisting of revenue, tons and tons one mile accruing from business originating and terminating in Missouri, both local and interline.

Inter-state:

Consisting of revenue, tons and tons one mile, accruing from

(*a*) Business originating in Missouri and terminating outside.

(*b*) Business originating outside and terminating in Missouri.

(*c*) Business originating in Missouri, passing through another state and terminating in Missouri.

(*d*) Business originating outside, passing through Missouri and terminating outside.

Basis of Division.

Mileage Prorate.

Passenger:

Were apportioned and stated separately, for intra-state and interstate business, as follows:

Intra-state:

Consisting of revenue, number of passengers and passengers carried one mile, accruing from business originating and terminating in Missouri, both local and interline.

Inter-state:

Consisting of revenue, number of passengers and passengers carried one mile, accruing from

(*a*) Business originating in Missouri and terminating outside.

(*b*) Business originating outside and terminating in Missouri.

9612 (*c*) Business originating in Missouri, passing through another state and terminating in Missouri.

(*d*) Business originating outside, passing through Missouri and terminating outside.

Basis of Division.

(1) When the local rate is the same in Missouri and adjoining states, apportion on a straight mileage prorate.
(2) When the rate is higher in the adjoining States than in Missouri, apportion on constructive mileage or a prorate per rate basis.

Excess baggage:

Compile in same manner as outlined for passenger revenue, mail, express and miscellaneous.

Mail revenue:

Net revenue accruing from routes located entirely in Missouri; for routes located partly in Missouri and partly in other states, net compensation was apportioned on a road mileage prorate.

Express revenue:

There was apportioned in Missouri such a part of the express revenue for the road as the express and express proportion of baggage car mileage in Missouri bore to the total of such mileage for the road.

Miscellaneous revenue:

When accruing in Missouri included direct. Items that could not be located directly to Missouri were prorated on basis road mileage.

Alocation to freight and passenger service was made as follows:

Located direct to freight, revenue accruing from:

Switching.
Special Service Trains (Freight Proportion).
Storage Freight.
Car Service (Demurrage).
Feed Charges.

Located direct to passenger revenue accruing from:

Milk (Carried on Passenger Trains).
Station and Train Privileges.
Parcel Room Receipts.
Storage Baggage.
Special Service Trains (Passenger Proportion).
Sleeping car Service.
Dining Car Service.

9613 Apportioned to freight and passenger on basis of gross revenue for each class of service, revenue accruing from:

Rents of Buildings and other Property.
Telegraph Service.
Miscellaneous.

Expenses.

Operating expenses:

From total expenses as regularly compiled for Missouri Operating Division in Operating Statistics, there were deducted expenses applicable to line in Iowa specially compiled on basis as hereinafter shown.

Included remainder of expenses thus obtained as applying to line in Missouri.

Included as specially compiled, on basis as hereinafter shown, expenses for line in Missouri.

Kansas City Division.

Eastern Division, Atchison to St. Joseph.

In compilation of Operating Expenses for Missouri Operating Division as shown in Operating Statistics, the following procedure was observed:

Maintenance of Way and Structures:

Divided between freight and Passenger on basis of respective Train Mileage on Missouri Operating Division.

Exception: Expenditures for repairs to Station buildings located direct to Freight or Passenger when possible.

Located direct as far as practicable when directly applied to Missouri Operating Division in regular distribution.

Account 1. Superintendence.
2. Ballast.
3. Ties.
5. Other Track Material.
6. Roadway and Track.
7. Removal of Snow, Sand and Ice.
9. Bridges, Trestles and Culverts.
10. Over and under Grade Crossings.
11. Grade Crossings, Fences, Cattle Guards and Signs.
12. Snow and Sand Fences and Snow Sheds.
13. Signals and Interlocking Plants.
14. Telegraph and Telephone Lines.
16. Buildings, Fixtures and Grounds.
18. Roadway Tools and Supplies.
22. Injuries to Persons.
24. Insurance.
25. Other Expenses.
26. Maintaining Joint Tracks, Yards and Other Facilities—Dr.
27. Maintaining Joint Tracks, Yards, and Other Facilities.—Cr.

9614 Located on basis of actual assignments to Missouri Operating Division for the year:

Account 3. Ties.
4. Rails.

Prorateng on basis of total days work service on the Missouri Operating Division during previous twelve months.

Account 19. Work Equipment—Repairs.
20. Work Equipment—Renewals.
21. Work Equipment—Depreciation.

Maintenance of Equipment:

Expenditures for repairs, renewals and depreciation of Freight-Train Cars located direct to Freight; of Passenger-Train Cars located direct to Passenger; of Road Locomotives, divided between Freight and Passenger on basis of miles run in respective service by individual locomotives; of Yard Locomotives, divided between Freight and passenger on basis relative number of Freight and Passenger Cars handled at respective terminals.

All other contingent Maintenance of Equipment expenses divided between Freight and Passenger on basis located charges to Freight and Passenger for Freight and Passenger-Train car and locomotive repairs, renewals and depreciation.

Apportion to Missouri Division on basis miles run by individual locomotives in current month all locomotives repair expenses not exceeding $500. for labor and material at one shopping. Repair expenses exceeding $500. at one shopping were apportioned on basis miles run by individual locomotives since last general shop repairs exceeding $500.

Account 29. Steam Locomotive—Repairs.

Apportioned on basis of relation that miles run by locomotives on Missouri Division bore to total miles run by all, -ocomotives, during current month:

Account 30. Steam Locomotives—Renewals.
31. Steam Locomotives—Depreciation.
54. Equipment Borrowed—Dr. (Locomotives).
56. Equipment Loaned—Cr. (Locomotives.)

Apportioned on basis of relation that miles run by Freight and Passenger-Train Cars respectively, on Missouri Operating Division, bore to total miles run by Freight and Passenger-Train Cars:

Account 35. Passenger-Train Cars—Repairs.
36. Passenger-Train Cars—Renewals.
37. Passenger-Train Cars—Depreciation.
38. Freight-Train Cars—Repairs.
39. Freight-Train Cars—Renewals.
40. Freight-Train Cars—Depreciation.
54. Equipment Borrowed—Dr. (Passenger and Freight).
56. Equipment Loaned—Cr. (Train Cars).

9615 Apportioned on basis of relation that located charged for Locomotive, Freight and Passenger-Train Car Repairs, renewals, and depreciation on Missouri Operating Division bore total

located charges for repairs, renewals and depreciation for such equipment:

Account 28. Superintendence.
47. Shop Machinery and Tools.
49. Injuries to Persons.
50. Stationery and printing.
51. Insurance.
52. Other Expenses.

NOTE.—Expenditures primarily charged to "Shop Expenses" were apportioned to Accounts 16, 19, 29, 35, 38 and 47 on basis direct labor charges to such accounts and subsequently to Missouri Operating Division as outlined for primary accounts affected.

Located direct to Missouri Operating Division:
Account 53. Maintaining Joint Equipment at Terminals—Dr.
55. Maintaining Joint Equipment at Terminals—Cr.

Traffic Expenses:

All traffic expenses were located direct to Freight or Passenger as far as practicable, when pertaining to both freight and passenger were divided on basis respective Revenue Train Mileage.

All traffic Expenses were apportioned to Missouri Operating Division on basis of relation that revenue Freight and Passenger Car mileage respectively bore to total revenue Car Mileage.

Transportation Expenses:

Superintendence and Train Dispatching expenses were divided between Freight and Passenger on basis respective train mileage on Missouri Operating Division.

Salaries of station employees were located individually to Freight and Passenger. When engaged in handling both Freight and Passenger arbitrarily division was made on basis service performed for each class.

Expenses pertaining to Weighing and Car Service Associations and of Operating Stock Yards were located direct to Freight.

Station Supplies and Expenses were located direct to Freight or Passenger when practicable. Such expenses pertaining to both Freight and Passenger were divided on basis respective train mileage.

All yard Supplies and Expenses and cost of operating Yard Locomotives were divided between Freight and Passenger on basis relative number of Freight and Passenger Cars handled at respective terminals.

9616 All supplies and Expenses in connection with operating Road Locomotives, except cost of water, were divided between Freight and Passenger on basis miles run by individual locomotives in respective service. Cost of producing water was divided between Freight and Passenger on basis of miles run by all locomotives in respective service.

Wages of Road Engine and Trainmen were located direct to Freight and Passenger.

Exception: Wages of Engine and Trainmen in Mixed and Special Mixed train service were divided between Freight and Passenger on basis miles run by Freight and Passenger Train cars in such trains.

Train supplies and Expenses were located direct to Freight or Passenger as far as practicable. Such expenses pertaining to both Freight and Passenger were divided on basis respective train mileage.

Salaries of Block and other Signal Operators, crossing flagmen and Gatemen and attendants at Draw-Bridges were divided between Freight and Passenger on basis respective train mileage.

Expenses of clearing wrecks located direct to Freight or Passenger.

Expenses in connection with Telegraph and Telephone Operation were located direct to Freight or Passenger as far as practicable. Expenses pertaining to both Freight and Passenger were divided on basis respective train mileage.

Expenses for stationery and printing were divided between Freight and Passenger on basis of respective train mileage.

Insurance and other transportation expenses were located direct to Freight or Passenger as far as practicable. Such expenses pertaining to both Freight and Passenger were divided on basis respective train mileage.

Loss and Damage to Freight and Baggage were located direct to Freight and Passenger respectively.

Loss and Damage to Property and Damage to Stock on Right of Way were located direct to Freight or Passenger as far as practicable. Expenses pertaining to both Freight and Passenger were divided on basis respective train mileage.

Injuries to persons located direct to Freight or Passenger as far as practicable, in accordance with cause of accident, when not located direct were divided on basis respective train mileage.

Payments or Receipts in connection with operation of Joint Tracks were located direct to Freight or Passenger as far as practicable. When not located direct were divided between Freight and Passenger on basis respective train mileage.

9617 Located direct as far as practicable when directly applied to Missouri Division in regular distribution:

Account 66. Superintendence.
67. Dispatching Trains.
68. Station Employés.
69. Stock Yards and Grain Elevators.
72. Station supplies and Expenses.
73. Yard Masters and their Clerks.
74. Yard Conductors and Brakemen.
75. Yard Switch and Signal Tenders.
76. Yard Supplies and Expenses.
77. Yard Enginemen.
78. Enginehouse Expenses—Yard.
79. Fuel for Yard Locomotives.
80. Water for Yard Locomotives.

81. Lubricants for Yard Locomotives.
82. Other Supplies for Yard Locomotives.
83. Operating Joint Yards and Terminals—Dr.
84. Operating Joint Yards and Terminals—Cr.
86. Road Enginemen.
89. Water for Road Locomotives.
94. Road Trainmen.
95. Interlockers, Block and Other Signals—Operation.
97. Crossing and Flagmen and Gatemen.
98. Drawbridge Operation.
99. Clearing Wrecks.
100. Telegraph and Telephone Operation.
105. Other Expenses.
106. Loss and Damage—Freight.
107. Loss and Damage—Baggage.
108. Damage to Property.
109. Damage to Stock on Right of Way.
110. Injuries to Persons.
111. Operating Joint Tracks—Dr.
112. Operating Joint Tracks—Cr.

NOTE.—Superintendence expenses when not directly located were prorated on basis direct labor charges to all Transportation Expense Accounts.

Apportioned on basis miles run by individual locomotives:

Account 87. Enginehouse Expenses—Road.
98. Fuel for Road Locomotives.
90. Lubricants for Road Locomotives.
91. Other Supplies for Road Locomotives.

Apportioned on basis Freight Train Car-Mileage:

Account 69. Weighing and Car Service Associations.

Apportioned on basis Freight and Passenger-Train Car Mileage respectively:

Account 95. Train Supplies and Expenses.
103. Stationery and Printing.
104. Insurance.

General Expenses:

All General Expenses were located direct to Freight or Passenger as far as practicable. When not directly located to Freight or Passenger were divided on basis respective train mileage.

Apportioned on basis located labor charges to all accounts, Freight and Passenger respectively.

9618 Taxes:

Located direct to State of Missouri.

Divided between Freight and Passenger on basis total revenues shown for each class.

Rentals—Tracks and Terminals:

Located Direct to State of Missouri.

Located direct to Freight or Passenger as far as practicable. When not directly located to Freight or Passenger divided on basis of the Gross Earnings of each class of business.

Equipment (Rental Proportion):

For Freight-Train-Cars—located direct to Freight and apportioned to Missouri upon the basis of freight car mileage.

For Passenger-Train-Car—located direct to Passenger and apportioned to Missouri upon basis of passenger car mileage.

For locomotives and Work Equipment—divided between Freight and Passenger upon the basis of gross revenues and apportioned to State of Missouri upon the basis of total train mileage.

Interest on Bonds:

Interest on Bonds was apportioned to State of Missouri on basis of relation that Gross Earnings for the State bore to Total Gross Earnings for the Road.

Kansas City Division.

Operating Expenses applied to Kansas City Division were divided between Freight and Passenger on basis relative number Freight and Passenger-Train cars hauled. That portion of expenses applicable to State of Missouri were determined as follows:

Divided on basis road mileage, including Main Line and Side Tracks in State of Missouri and Kansas.

Maintenance of Way and Structures:

Account 1. Superintendence.
2. Ballast.
3. Ties.
4. Rails.
5. Other Track Material.
6. Roadway and Track.
7. Removal of Snow, Sand and Ice.
14. Telegraph and Telephone Lines.
18. Roadway Tools and Supplies.
19. Work Equipment—Repairs.
9619 20. Work Equipment—*Repairs.*
21. Work Equipment—Depreciation.
23. Stationery and Printing.
25. Other Expenses.

Located direct to Missouri:

Account 9. Bridges Trestles and Culverts.
10. Over and under Grade Crossings.
11. Grade Crossings, Fences, Cattle Guards and Signs.
12. Snow and Sand Fences and Snow Sheds.
13. Signals and Interlocking Plants.

16. Buildings, Fixtures and Grounds.
22. Injuries to Persons.
24. Insurance.
26. Maintaining Joint Tracks, Yards, and Other Facilities—Dr.
27. Maintaining Joint Tracks, Yards and Other Facilities—Cr.

Maintenance of Equipment:

Divided on basis relative number of engines regularly employed in Kansas City, Mo., and Argentine, Kansas, Yds.

Transportation Expenses:

Located direct to Missouri in accordance with actual location as shown for various employés on payroll:

Account 68. Station Employees.
70. Stock Yards and Grain Elevators.
73. Yard Masters and their Clerks.
74. Yard Conductors and Brakemen.
75. Yard Supplies and Expenses.
83. Operating Joint Yards and Terminals—Dr.
84. Operating Joint Yards and Terminals—Cr.
96. Interlockers Block and Other Signals—Operation.
97. Crossing Flagmen and Gatemen.
99. Clearing Wrecks.
100. Telegraph and Telephone—Operation.
104. Insurance.
108. Damage to Property.
109. Damage to Stock on Right of Way.
110. Injuries to Persons.

Divided on basis of road mileage including Main Line and Side tracks in Missouri and Kansas:

Account 66. Superintendence.
67. Dispatching Trains.
105. Other Expenses.
106. Loss and Damage—Freight.
107. Loss and Damage—Baggage.

Divided on basis located labor charges to Transportation Expenses Accounts in State of Missouri and Kansas respectively:

Account 72. Station Supplies and Expenses.
76. Yard Supplies and Expenses.
103. Stationery and Printing.

9620 Divided on basis relative number of engines regularly employed in Kansas City, Mo., and Argentine, Kansas, Yards:

Account 77. Yard Enginemen.
78. Enginehouse Expenses—Yard.
79. Fuel for Yard Locomotives.
80. Water for Yard Locomotives.
81. Lubricants for Yard Locomotives.
82. Other Supplies for Yard Locomotives.

Divided on basis of Road Mileage, including Main Line and Side tracks in Missouri and Kansas: All General Expenses.

Line in Iowa.

All expenses for line in Iowa divided between Freight and Passenger on same basis as outlined for Missouri Operating Division.

Maintenance of Way and Structures:

Located direct as far as practicable when directly applied to line in Iowa in specially compiled distribution:

Account 2. Ballast.
3. Ties.
4. Rails.
5. Other Track Material.
6. Roadway and Track.
7. Removal of Snow, Sand and Ice.
9. Bridges, Trestles and Culverts.
10. Over and under Grade Crossings.
11. Grade Crossings, Fences, Cattle Guards and Signs.
12. Snow and Sand Fences and Snow Sheds.
13. Signals and Interlocking Plants.
14. Telegraph and Telephone Lines.
16. Buildings, Fixtures and Grounds.
22. Injuries to Persons.
24. Insurance.
26. Maintaining Joint Tracks, Yards and Terminals—Dr.
27. Maintaining Joint Tracks, Yards and Terminals—Cr.

Apportioned to Line in Iowa on basis of relation that Car Mileage in Iowa bore to total car mileage for Missouri Operating Division:

Account 1. Superintendence.
18. Roadway, Tools and Supplies.
19. Work Equipment—Repairs.
20. Work Equipment—Renewals.
21. Work Equipment—Depreciation.
23. Stationery and Printing.
25. Other Expenses.

Maintenance of Equipment:

All Maintenance of Equipment Expenses, except Locomotive repairs, renewals and depreciation, were apportioned to line in Iowa

on basis of relation that Car Mileage in Iowa bore to total Car Mileage for Missouri Operating Division. Locomotive repairs, renewals and depreciation were apportioned on basis of relation that train mileage in Iowa fore to total train mileage for Missouri Operating Division.

9621 Traffic Expenses:

All traffic expenses were apportioned to Line in Iowa on basis of relation that Revenue Car Mileage in Iowa bore to total Revenue Car Mileage for Missouri Operating Division.

Transportation Expenses:

Located direct as far as practicable when directly applied to Line in Iowa in specially compiled distribution:

Account 68. Station Employés.
70. Stock Yards and Grain Elevators.
72. Station Supplies and Expenses.
73. Yardmasters and their clerks.
74. Yard Conductors and Brakemen.
75. Yard Switch and Signal Tenders.
76. Yard supplies and Expenses.
77. Yard Enginemen.
78. Enginehouse Expenses—Yard.
79. Fuel for Yard Locomotives.
80. Water for Yard Locomotives.
81. Lubricants for Yard Locomotives.
82. Other Supplies for Yard Locomotives.
83. Operating Joint Yards and Terminals—Dr.
84. Operating Joint Yards and Terminals—Cr.
96. Interlockers, Block and Other Signals—Operation.
97. Crossing Flagmen and Gatemen.
98. Drawbridge Operation.
99. Clearing Wrecks.
100. Telegraph and Telephone—Operation.
111. Operating Joint Tracks—Dr.
112. Operating Joint Tracks—Cr.

Apportioned on basis of relation that Train mileage in Iowa bore to total train mileage for Missouri Operating Division:

Account 66. Superintendence.
67. Dispatching Trains.
86. Road Enginemen.
87. Enginehouse Expenses—Road.
88. Fuel for Road Locomotives.
89. Water for Road Locomotives.
90. Lubricants for Road Locomotives.
91. Other Supplies for Road Locomotives.
94. Road Trainmen.

Apportioned on basis of relation that Freight and Passenger car Mileage respectively, in Iowa bore to total Freight and Passenger car mileage for Missouri Operating Division:

Account 69. Weighing and Car Service Associations.
95. Train Supplies and Expenses.
103. Stationery a*b*d Printing.
104. Insurance.
105. Other Expenses.
106. Loss and Damage—Freight.
107. Loss and Damage—Baggage.
108. Damage to Stock on Right of Way.
110. Injuries to Persons.

9622 General Expenses:

Apportioned on basis of relation that labor charges to all Accounts in Iowa bore to total labor charges to all Accounts on Missouri Operating Division: All General Expenses.

Line—Atchison to St. Joseph.

All expenses divided between Freight and Passenger in same manner as outlined for Missouri Division.

NOTE.—Expenses for Maintenance of Way and Structures and Operation, other than Wages of Train and Enginemen, supplies and cost of repairs to Equipment, are paid by voucher, the line being owned and operated by another carrier, and are therefore directly applied to State of Missouri.

Expenses in connection with repairs to Equipment and for Train Supplies and Expenses for line Atchison to St. Joe were obtained in following manner:

For Locomotive Repairs, renewals and depreciation and Train Supplies and Expenses on basis average cost per train mile for Missouri Operating Division Branch Line.

For Freight and Passenger Train Car Repairs, renewals and depreciation on basis average cost per Freight and Passenger car mile respectively, for Missouri Operating Division Branch Line.

For all other contingent Maintenance of Equipment expenses on basis of average cost per total car mile for Missouri Division Branch Line.

EXHIBIT 3.

The statement will show how much the diminution in state *state* freight earnings would have been if the Maximum Freight Law of 1907 had been followed: See next page.

9623 EXHIBIT #3.

Estimated Reduction in Earnings on Commodities Affected by the Missouri Maximum Rate Law of 1907, *Six Months Ending December* 31, 1907.

Commodity.	Local Missouri earnings.	Avg. haul, miles.	% reduction under proposed rate for average haul.	Estimated reduction in earnings.
Grain	$10,572.00	62	29.4%	$3,108.17
Flour	1,564.00	99	35.	547.40
Livestock	25,365.00	67	33.33	8,455.00
Stone & Sand	3,046.00	42	46.66	1,421.47
Salt	18.00	18	11.#	1.98#
Lumber & Shingles.	2,066.00	82	18.75	387.37
Cement B. & L.	3,596.00	24	11.#	395.56#
Agl. Impts. 7 Vehls.	910.00	58	40.	364.00
	47,137.00	..	....	13,885.87

#Increase.

9624 EXHIBIT 4.

(*a*) Upon the basis of the extra cost of freight state business being 50% more than interstate, the result would be:

Interstate ..... $90.05 \times 1 = 90.05 - \frac{90.05}{103.40} = 87.09 =$

difference—2.96.

State ..... $6.79 \times 1\frac{1}{2} = 10.19$ $\frac{10.19}{103.40} = 9.86 =$

difference + 3.07.

Miscell. ..... $3.16 \times 1 = 3.16$ $\frac{3.16}{103.40} = 3.05 =$

difference—.11.

The extra cost then is 3.07% of all freight expense, $1,415,100.15, or $43,443.57.

(*b*) Upon the basis of two times more than interstate:

Interstate ..... $90.05 \times 1 = 90.05 = \frac{90.05}{106.79} = 84.32 =$

difference—5.73.

State ..... $6.79 \times 2 = 13.58 = \frac{13.58}{106.79} = 12.72 =$

difference + 5.93.

Miscell. ..... $3.16 \times 1 = 3.16 = \frac{3.16}{106.79} = 2.96 =$

difference—.20.

The extra cost then is 5.93% of all freight expense, $1,415,100.15, or $83,915.44.

(c) Upon the basis of three times more than interstate:

Interstate ..... $90.05 \times 1 = 90.05 = \frac{90.05}{113.58} = 79.28 =$

difference = 10.77.

State ..... $6.79 \times 3 = 20.37 = \frac{20.37}{113.58} = 17.94 =$

difference = 11.15.

Miscell. ..... $3.16 \times 1 = 3.16 = \frac{3.16}{113.58} = 2.78 =$

difference = .38.

The extra cost then is 11.15% of all freight expense, $1,415,100.15, or $157,783.67.

9625

EXHIBIT 5.

Freight Tonnage Statement.

	State.	Interstate.	Total.
Tons Carried	172,089	2,149,604	2,321,693
Tons carried one mile.....	8,157,683	179,789,856	187,947,539
Tons carried one mile per mile of road (operated Mileage including trackage rights (298.63)	27,317	602,049	629,366
Average miles hauled per ton	47.4	83.6	81.0

9626 EXHIBIT 6.

Passenger Statement.

	State.	Interstate.	Total.
Passengers Carried	189,330	123,076	312,406
Carried One Mile	5,324,298	20,001,648	25,325,946
Carried One Mile per mile of road (Operated mileage including Trackage Rights 298.63)	17,829	66,978	84,807
Average miles hauled per passenger	28.12	162.52	81.07

9627 EXHIBIT 7.

In the extra cost of doing state passenger business be ascertained upon the revenue, then the result is:

If the extra cost be 25.35 or 50%, upon a revenue basis it would be thus found:

(*a*) At 25%.

Interstate ..... $51.81 \times 1 = 51.81 = \frac{51.81}{103.81} = 49.91$,

difference—1.90.

State ..... $15.22 \times 1.25 = 19.03 = \frac{19.03}{103.81} = 18.33$,

difference + 3.11.

Miscell. ..... $32.97 \times 1 = 32.97 = \frac{32.97}{103.81} = 31.76$,

difference—1.21.

The extra cost then is 3.11% of $583,021.24, or $318,131.96.

(*b*) At 35%.

Interstate ..... $51.81 \times 1 = 51.81$; $\frac{51.81}{105.33} = 49.19$,

difference—2.02.

State ..... $15.22 \times 1.35 = 20.55 = \frac{20.55}{105.33} = 19.51$,

difference + 4.29.

Miscell. ..... $32.97 \times 1 = 32.97 = \frac{32.97}{105.33} = 31.30$,

difference—1.67.

The extra cost then is 4.29% of $583,021.24, or $25,011.61.

(c) At 50%.

Interstate ..... $51.81 \times 1 = 51.81 = \frac{51.81}{107.61} = 48.15$,

difference—3.66.

State ..... $15.22 \times 1\frac{1}{2} = 22.83 = \frac{22.83}{107.61} = 21.22$,

difference + 6.00.

Miscell. ..... $32.97 \times 1 = 32.97 = \frac{32.97}{107.61} = 30.63$,

difference—2.34.

The extra cost then is 6.00% of $583,021.24, or $34,981.27.

9628 EXHIBIT No. 8.

Bond and Stock Statement.

Total Bond Issue—System		312,034,120.00
Total Bond Interest for six months.....		6,202,083.12
Bond Interest applicable to State of Missouri, Revenue Basis:		
Gross Revenue System, six Mos.....	48,739,628.20	
Gross Revenue Missouri "	2,765,649.87	
Missouri, 5.67% of total.....		351,658.11
Total Stock Issue—System		217,130,230.00
Interest at 6% for Six Months.....		6,513,906.90
Interest applicable to State of Missouri, Revenue Basis:		
Gross Revenues System Six Months.	48,739,628.20	
Gross Revenues Missouri "	2,765,649.87	
Missouri 5.67% of Total.....		369,338.52

9629 Ex. 46.

Statement Showing Cost of Missouri Passenger Operating Expenses When Terminal Expense is Applied to State and Interstate Business on Basis of Use by Such Respective Passengers.

Terminal Expense for Six Months, July to December, 1907, Inclusive.

Maintenance:	
Maintenance of exclusive passenger station buildings, fixtures and grounds	$6,832.50
Proportion of Joint Terminal passenger station building maintenance and expense	1,166.18
Insurance on Buildings	476.01
Expense proportion of Superintendence, Roadway Tools and Supplies, Stationery and Printing	669.65
Total Maintenance	$9,144.34
Operation:	
Passenger station employés	$28,142.30
" " supplies	1,816.14
Switching	10,470.93
Stationery and Printing	1,976.06
Add supervision	1,492.15
	$43,897.58
General Expense:	
Percentage Proportion of General Office expense and supervision	1,485.17
Total expense apportioned to Terminals	$54,527.09

As ascertained from our Statistics for months of July, August, September, 1907, 58% of the Interstate passengers traveling in Missouri were Trans-State and 42% were Interstate passengers. The application of these percents to 123,076—total Interstate Passengers handled during the 6 months' period July to December, inclusive, 1907, apportions 71,384 passengers to trans-state, who do not use the terminals, and 51,692 passengers to Interstate, who use terminals once in Missouri. During the same period we carried 189,330 State passengers, who used the terminals twice, therefore—

State Passengers used terminals	378,660	times
Interstate " " "	51,692	"
Total times used	430,352	"

This apportions 88% of such use, and correspondingly expense, to State Passengers and 12% to Interstate Passengers.

Under the apportionment of Passenger expense between State and Interstate on a revenue basis there was apportioned to the State 15.22% of the above expense, or $8,299.02, and to interstate 51.81%, or $28,250.29.

9630 On a terminal use basis there should be charged to Interstate the sum of $4,385.91, and to State $32,163.39, or $23,864.37 more expense than formerly apportioned. This additional expense increases our entire State Passenger Operating Expense approximately 27%, and shows that by virtue of the increased terminal expense it costs 27% more to earn a dollar for carrying State Passengers than it does for Interstate passengers.

(Here follows statement showing "Passengers carried one mile," etc., marked p. 9631, with two diagrams accompanying same marked pp. 9632 and 9633.)

CHARTS

TOO LARGE FOR FILMING

9634 Ex. 50.

The Chicago, Rock Island and Pacific Railway Company (Including St. L., K. C. & C. R. R.)

Statistics Relating to Passenger Traffic in Missouri for the Year Ended June 30th, 1908, Compared with Preceding Year.

	State.	Interstate.	Total.
Passengers one mile, year ended June 30, 1908.	19,500,517	26,704,922	46,205,439
Do. do. " " " 1907.	15,931,598	23,664,900	39,596,498
Increase	3,568,919	3,040,022	6,608,941
Per cent. of increase	22.4%	12.8%	16.7%
Passenger revenue, year ended June 30, 1906..	$376,599.52	$458,104.77	$834,704.29
Do. do. " " 1907..	406,649.27	513,569.32	920,218.59
Decrease	30,049.75	55,464 53	85,514.30
Per cent. of decrease	7.4%	10.8%	9.3%
Average revenue per pass. per mile year ended June 30, 1908	1.93 cents	1.72 cents	1.81 cents
Average revenue per pass. per mile year ended June 30, 1907	2.62 "	2.17 "	2.32 "
Decrease	.69 "	.45 "	.51 "
Per cent. of decrease	26.3%	20.7%	22.0%
Loss in revenue resulting from decrease in rates, year ended June 30, 1908 (passengers one mile multiplied by decreases)	$124,469.14	$111,178.60	$235,647.74

Ex. 51.

The Chicago, Rock Island & Pacific Railway Company.

Statistics Relating to Passenger Traffic of Rock Island Lines, Comprising Operated Mileage in Fourteen States, for the Year Ended June 30, 1908, Compared with Preceding Year.

	State.	Interstate.	Total.
Passengers one mile, year ended June 30, 1908	383,765,426	498,225,918	881,991,344
Do. " " " 1907	346,223,377	379,010,129	725,233,506
Increase	37,542,049	119,215,789	156,757,838
Per cent. of increase	10.8%	31.5%	21.6%
Passenger revenue, year ended June 30, 1908	$7,343,015.82	$9,350,094.63	$16,693,110.45
Do. " " 1907	8,019,460.59	8,134,078.83	16,153,539.42
Increase or decrease	676,444.77	1,216,015.80	539,571.03
Per cent. of increase or decrease	8.4%	14.9%	3.3%
Average revenue per pass. per mile, year ended June 30, '08	1.91 cents	1.88 cents	1.89 cents
Do. do. " " 1907	2.32 "	2.15 "	2.23 "
Decrease	.41 "	.27 "	.34 "
Per cent. of decrease	17.7%	12.6%	15.2%
Loss in revenue resulting from decrease in rates, year ended June 30, 1908 (passengers one mile, multiplied by decreases)	$1,616,337.34*	$1,382,433.23*	$2,998,770.57

* These will not figure exactly, owing to omission of fractions.

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9636 Ex. 52.

The Chicago, Rock Island and Pacific Railway Company.

Statement of Percentages of Increase and Decrease in State (Interstate) Passenger Traffic by States for the Roads Comprising The Rock Island Lines for the Year Ended June 30, 1908, Compared With Next Preceding Year.

		Per cent of—	
		Increase passengers one mile.	*Decrease* passenger revenue.
States in which the two cent maximum passenger fare became effective just prior to or in the early part of the fiscal year ended June 30, 1905.	Illinois	2.5	*14.1*
	Iowa	25 0	*2.4*
	Nebraska	11.7	*14 6*
	Missouri	22.4	*7.4*
	Kansas	1.0	*19.8*
	Oklahoma	10.8	*8.8*
	Minnesota	18.7	*10.7*
	Arkansas	2.6	*22.3*
	Total 2 cent States	10 9	*11.0*
States in which the maximum passenger fare was three cents or four cents (as indicated) during the two years ended June 30, 1908.	Colorado (3 cents)	23.4	18.9
	Dakota (3 cents)	32.7	29.9
	Louisiana (3 cents)	.8	3.8
	Texas (3 cents)	3.8	15.2
	New Mexico (4 cents)	51.4	54.3
	Total 3 & 4 cent States	9.8	16.1

[Word and figures in italic in foregoing table in red ink in copy.]

9637 **Ex. 53.**

The Chicago, Rock Island & Pacific Railway Company.

Comparative Statement Showing Average Prices on Material Purchased During Year 1897 *as Compared With Year* 1907.

	Year 1897.	Year 1907.	Increase. Amount.	Per cent.
Car wheels	$5.68 ea.	$9.30 ea.	$3.62	
Rail	27 63 gro. ton	28.00 gr. ton	.37	
Ties	.33.78 ea. trtd.	.90 ea. trtd. .52 untreated.		
Coal	1.64 ton	2.05 ton.		
Waste	.06.25 lb.	.05.25 lb.		
Track spikes	1.69 cwt.	1.90 cwt.		
Angle bars	1.29 cwt.	1.65 cwt.		
Track bolts	1.97 cwt.	2.45 cwt.		
Cast iron pipe	20.75 net ton	25.00 net ton.		
Cars, coal, 60 M. cap.	426.00 ea.	100 M. cap. 1141.95 ea.		
Cars, box, 60 M. cap.	506.65 ea.	80 M. cap. 1225.83		
Billets steel	15.50 ton.	29.50 ton.		
Cut nails	1.10 cwt.	1.95 cwt.		
Tank plates	1.25 cwt.	1.95 cwt.		
Beams	1.35 cwt.	1.85 cwt.		
Refd. bar iron	1.10 cwt.	1 85 cwt.		
Wire nails	1.35 cwt.	2.00 cwt.		
Castings	25.70 ton.	35.00 ton.		
Wood (engine)	2.19 cd.	2.11 cd.		
Brass castings	9.11 cwt.	16.25 cwt.		
Oil (headlight)	.07.75 gal.	.08-7/8 gal.		
Oak lumber	21.00 M. ft.	32.00 M. ft.		
Pine lumber	16.00 M. ft.	30.00 M. ft.		

9638 **Ex. 54. Mo. Rate Case.**

Bureau of Railway News and Statistics.
1409 Railway Exchange Building, Chicago.

Leaflet No. 5.

Enormous Loss to Railways
Through "Two Cent" Legislation Limitation of Passenger
Rates in Twenty-two States Reduces
Earnings of 27 Lines
$19,619,345 Last Year.

(From the Chicago Tribune, Nov. 22, 1908.)

As a direct result of recent passenger fare legislation and regulations in twenty-two states, twenty-seven railways doing business in such states suffered a loss of $19,619,345 in revenues during the year ending June 30, 1908, according to figures given out by the Bureau

of Railway News and Statistics. That their loss was not greater is attributed to the fact that their business was not confined to the states which have undertaken to fix the maximum passenger rate at the level of what for years has been the average receipts per passenger mile in the United States.

The railways whose earnings have been thus depleted operate 96,385 miles of line, or about 41 per cent of the mileage of the country, and carry slightly more than one-third of its passenger traffic. The states in which the railways have been put under this legislative restriction stretch from Pennsylvania in the East to Washington in the West and from Michigan on the Lakes to Alabama on the Gulf.

Claims More Work, Less Pay.

That this serious reduction in their revenues was not due to the business depression as in the case of their freight earnings, is proved by the fact that the railways concerned carried slightly over 9 per cent more passengers one mile in 1907–'08 than the same roads did in 1906-'07. They also operates 1,577 more miles of line
9639 during the year of lessened passenger revenues. It was a clear case of more work for less pay.

The statement that the railways in question have suffered a loss of over $19,000,000 in one year from two cent fare legislation is based on a comparison of the aggregate passenger earnings as they appear in the published reports of the roads for 1907–'08, with the sum of what those earnings would have been calculated on their average passenger mile receipts for the preceding year, which were 2.166 cents against 1.964 cents actually received.

The whole story of this great loss to the railways—told in detail in the tables which follow—is contained in those figures of passenger mile receipts for the two years. The difference is an inappreciable fraction over one-fifth of a cent per passenger mile. But when applied to the 9,727,000,000 passengers carried one mile by these roads in 1907–'08, it accounts for the loss stated, and if applied to the entire passenger mileage of the United States it would swell the volume of loss to over $58,000,000. That there was so much loss is due to the fact that a majority of the states have not adopted the two cent legislation, and to the other fact that in such territory as Massachusetts, Connecticut and Rhode Island, density of passenger traffic is so great as to be unaffected by a maximum two cent rate.

Density of Traffic Necessary to Low Fares.

To comprehend this it is only necessary to recall the railway tradition, based on experience, that the average cost of running a passenger train one mile is one dollar, and that it takes fifty passengers at two cents a mile to pay that dollar. Therefore, in states which cannot furnish train loads averaging fifty passengers to the mile any maximum that forces the average receipts per passenger mile below two cents, works at a loss and must look to freight for any profit. For

the United States as a whole in 1907 the receipts per passenger mile were 2.014 cents and in 1906, the last year when the figures are available, the average number of passengers per train was 49. In the three Interstate Commerce Groups completely covered by the passenger fare legislation, the passengers per train averaged as follows: Group III, 44; Group IV, 36; and Group VI, 43. In not one of these groups would a maximum of 2 cents per mile pay the cost of
9640 the traffic and in Group IV, which includes Virginia, West Virginia and the Carolinas, 3 cents a mile is barely sufficient to meet the expense of operation.

In this connection, Mr. Slason Thompson, manager of the Bureau, has prepared a table of the States which have attempted to put a legislative limit of passenger rates, together with the miles of line per 100 square miles, and population per mile of railway in each State, as presenting the conditions upon which passenger traffic must rely:

States Placing a Limit on Passenger Fares.

	Passenger fare limited to—		Miles of line per hundred square miles of territory.	Population per mile of railway in 1906.
Alabama	2½	cents.	9.64	416
Arkansas	2	"	8.54	314
Illinois	2	"	21.64	448
Indiana	2	"	20.05	377
Iowa	2 to 3	"	17.88	222
Kansas	3	"	10.88	181
Michigan	2 to 3	"	15.50	290
Minnesota	2	"	10.38	248
Missouri	2	"	11.74	417
Montana	3	"	2.26	92
Nebraska	2	"	7.59	183
North Carolina	2½	"	9.08	476
North Dakota	2½	"	5.36	123
Ohio	2	"	22.79	486
Oklahoma	2	"	7.18	212
Pennsylvania	2	"	25.04	621
South Carolina	3	"	10.78	453
South Dakota	2½	"	4.19	145
Virginia	2 to 3½	"	10.19	473
Washington	3	"	5.38	174
W. Virginia	2	"	13.08	340
Wisconsin	*2	"	13.61	312

*All but small roads.

In contrast with the conditions under which railways operate in these States may be cited those in the following States and countries where density of population warrants low passenger fares:

	Miles of line per 100 square miles of territory.	Population per mile of railway.
Massachusetts	26.36	1439
Connecticut	21.01	989
England and Wales	27.20	2050
German Empire	16.56	1754
France	13.95	1359
Belgium	25.17	2353

9641 A second statement gives the passenger earnings of twenty-seven railways, each of which does business in one or more of the states named above, together with the average receipts per passenger mile for each road in 1906–07 and 1907–08, and the passenger revenues for each road in the latter year, if the average rate of the preceding year had prevailed:

Summary of Passenger Earnings of Twenty-seven Railroads for Year Ending June 30, 1908*; Average Receipts per Passenger Mile in* 1908 *and* 1907, *and Loss Caused by Legislation.*

Name of road.	Average receipts per passenger mile.		Actual passenger revenue 1908 (000 omitted).	Passenger revenue calculated on average receipts of 1907 (000 omitted).	Loss produced by two-cent legislation.
	1908, cents.	1907, cents.			
Atchison, Topeka & S. F.	2.10	2.18	$21,643	$22,458	$814,818
Baltimore & Ohio	1.87	1.95	13,736	14,213	476,951
Cent. of Georgia	2.30	2.41	2,953	3,096	143,398
Chesapeake & Ohio	1.78	2.15	5,120	6,184	1,064,245
Chicago & Alton	1.85	2.05	3,511	3,890	379,482
Chicago & Eastern Illinois	1.76	2.04	1,680	1,960	280,365
Chicago & Northwestern	1.81	1.99	15,734	17,302	1,567,547
Chicago, Burl. & Quincy	1.85	2.07	18,819	21,040	2,221,359
Chi. Milw. & St. P.	1.91	2.20	11,883	13,630	1,747,290
C. R. I. & P.	1.89	2.23	16,693	19,668	2,975,289
C. St. P. M. & O.	1.97	2.26	3,690	4,215	524,723
Evansville & Terre Haute	1.93	2.29	570	677	107,276
Great Northern	2.27	2.39	11,189	11,797	608,152
Hocking Valley	1.63	1.78	837	914	77,131
Illinois Central	1.85	1.96	10,991	11,618	626,413
Iowa Central	1.88	2.24	479	569	89,891
Kansas City Southern	2.31	2.37	1,302	1,351	48,611
Minn. & St. Louis	1.82	1.92	1,003	1,060	57,224
Minneapolis, St. Paul & Sault Ste. Marie	2.09	2.28	2,681	2,925	243,858
Missouri Pacific	1.95	2.24	8,814	10,142	1,328,061
Norfolk & Western	1.90	2.36	3,977	4,941	963,595
St. L. & San Francisco	2.15	2.56	8,927	10,602	1,675,919
St. Louis Southwestern	2.19	2.42	1,924	2,094	169,753
Southern Ry.	2.30	2.45	14,315	15,252	936,636
Toledo, St. L. & Western	1.59	1.79	519	583	63,437
Wabash R. R.	1.77	1.86	6,470	6,800	329,448
Wisconsin Central	1.80	2.00	1,608	1,706	98,655
Total			$191,079	$210,699	$19,619,345

Same roads in 1907	$193,026,000
Decrease	1,947,000
Average rate per passenger mile	1.964 cents in 1908
Average rate per passenger	2.166 cents in 1907
Decrease	0.202

9642 In making the calculations for this table, the third decimal in receipts per passenger mile, wherever obtainable, was employed as well as the actual figures where the 000 are omitted to economize space.

The following table, as the correlative of the preceding, is given to show the public service performed by the railways in earning the passenger revenues given above, together with the length of line upon which it was earned:

Summary of Passengers Carried One Mile by Twenty-seven Railroads in Two-cent Rate Territory During the Years Ending June 30, 1908 *and* 1907, *and Mileage of Respective Lines.*

Names of roads.	Passengers carried one mile, 1908 (000 omitted).	Passengers carried one mile, 1907 (000 omitted).	Miles of line operated, 1908.
Atchison, Topeka & Santa Fe	1,028,779	969,651	9,415
Baltimore & Ohio	726,639	723,438	4,347
Cent. of Georgia	128,008	121,753	1,913
Chesapeake & Ohio	286,729	226,660	1,841
Chicago & Alton	189,430	180,768	998
Chicago & Eastern Illinois	95,670	80,371	1,005
Chicago & Northwestern	869,455	804,783	7,631
Chicago, Burlington & Quincy	1,016,454	900,107	9,282
Chicago, Milwaukee & St. Paul	619,468	549,597	7,499
C., R. I. & P.	881,991	725,233	7,970
Chicago, St. Paul, Minneapolis & Omaha	186,436	165,531	1,725
Evansville & Terre Haute	29,593	25,139	310
Great Northern	493,009	461,722	6,594
Hocking Valley	51,374	45,389	347
Illinois Central	591,860	569,931	4,420
Iowa Central	25,406	22,640	558
Kansas City Southern	56,851	56,436	827
Minn. & St. Louis	55,039	51,064	1,005
Minneapolis, St. Paul & Sault Ste. Marie	128,293	116,461	2,304
Missouri Pacific	453,374	432,547	6,470
Norfolk & Western	209,279	176,032	1,919
St. Louis & San Francisco	414,078	357,891	5,064
St. Louis & Southwestern	86,540	83,274	1,464
Southern Ry	622,301	599,161	7,489
Toledo, St. Louis & Western	32,524	28,717	451
Wabash R. R.	364,637	369,294	2,515
Wisconsin Central	85,341	78,035	1,023
	9,727,651	8,920,639	96,385

Increased passenger miles 807,012,000.

In this whole list, says Mr. Thompson, there is only one road, the Wabash, which did not show a material increase in passenger mileage for the year 1907–08 and in that case the loss of revenue would have been slight but for the reduction in the average rate, which it will be perceived was already below the two cent level fixed by the law makers as a maximum.

There is no means of telling what proportion, if any, of
9643 this increase of 807,012,000 passenger miles was due to the stimulation of travel by a lower maximum rate. Undisturbed by any legislative stimulus it increased 126 per cent in the decade from 1897 to 1907 in spite of a slight decrease in 1902-3. In some of the territory served by these railways the increase has been far more rapid. In the group comprising Nebraska, parts of the Dakotas and Montana, the increase has been nearly 300 per cent in ten years and in that including Missouri, Arkansas, Kansas and Oklahoma, it has been nearly 220 per cent. Which would go to show that passenger traffic was increasing as rapidly before the enactment of the two cent maximum as it has since.

The arbitrary depletion of their passenger revenues by statutes can only result in throwing increased burdens on the freight traffic, which ever since the civil war has been making good the deficit on passenger service.

9644 **Ex. 55.**

Passenger- carried one mile, State of Missouri, year to June 30, 1908, 170,398,167. Total revenue, state and interstate, $3,182,-932.03. Revenue per passenger per mile, 1.87¢.

No figures exist for Missouri for year ending June 30, 1907, but upon the System the revenue per passenger per mile was 2.55¢. This figure for the system is fair for the purpose of this statement, because Missouri is the best state in the system.

The difference is,

Rate per passenger per mile, System, fiscal year 1907	.0256
" " " " " Missouri " " 1908	.0187
Loss Per passenger per mile	.0069

Passengers carried one mile in Missouri for year ending June 30, 1908, were 96,523,003. Multiplying these figures by the loss, .0069, equals $666,008.72, showing actual loss for the year on the State business.

The same multiple applied to the interstate figures, 73,875,164, per passenger per mile, make loss on account of interstate passengers in Missouri, $509,738.63.

9645 Ex. 56.

The gross earnings upon the commodities affected by the Freight Act of 1907, for three months (Schedule 3, exhibit 2) are $56,699.26 for three months or $226,797.04 for the year, which is 10.94% of all State freight earnings. Applying this to the State freight statement there is result:

All earnings from this class of State freight were (Exhibit 2) for 3 months	$56,699.26
All State freight expenses (Exhibit 2) were $382,405.32 for three months, and 10.94% thereof chargeable to these commodities	$41,835.14
	$14,864.12
Diminution of the rates fixed by the Act of 1907 had been charged	$11,389.27
	$3,474.85

10.94% of Extra cost at 50%	$130,246.94 =	$14,249.02
10.94% of Interest	$117,775.28 =	$12,884.62
10.94% of Valuation	$132,091.26 =	$14,450.78

9646 Ex. 57.

Statement of the St. Louis and San Francisco Railroad Company, as to Missouri Earnings and Expenses for Six Months. to Dec. 31, 1907, Made Upon a Basis Similar to that Shown by Exhibit 2.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the Company for the months of July 1907 to Dec. 31, 1907, inclusive. This statement shows (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states according to the formula herewith presented as exhibit 2; (*c*) the more difficult matter, i. e. the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(1) Earnings.

	Interstate.	State.	Total.
Freight	$4,141,939.92	$1,036,705.48	$5,178,645.40
Miscellaneous (undivided as between state and interstate)	.....	.....	108,114.43
Total Freight	.....	.....	$5,286,759.83

Passenger	$727,134.42	$1,071,652.87	$1,798,787.29
Mail, express and miscellaneous (undivided as between state and interstate)	.....	.....	$417,523.94
Total Passenger.....			$2,216,311.23

Inasmuch as differences might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as
9647 no question as to such earnings is here involved, some have, to avoid confusion and unnecessary controversy been left undivided as between state and interstate earnings.

(3) Expenses (Undivided as Between State and Interstate.)

	Freight.	Passenger.
Maintenance of Way and structures	$561,117.52	$434,404.00
Maintenance of Equipment.....	764,479.59	345,096.50
Traffic Expenses	83,612.71	73,161.01
Transportation Expenses	$1,872,132.43	$914,208.95
General Expenses	106,154.14	82,476.32
Total Operating Expenses...	$3,387,496.39	$1,849,346.78
Taxes	98,243.23	34,416.29
Rentals	129,616.32	45,452.67
Total expenses, taxes and Rentals	$3,615,355.94	$1,929,215.74

(4) Percentages (The Percentages Ascertained from Above Figures.)

Character.	Amount.	Per cent. of freight earnings.	Per cent. of all earnings.
Interstate freight	$4,141,939.92	78.35%	55.20%
State Freight	1,036,705.48	19.61%	13.82%
Miscellaneous	108,114.43	2.04%	1.44%
	$5,286,759.83	100.00%	

Character.	Amount.	Per cent. of passenger earnings.	
Interstate Passenger	$727,134.42	32.81%	9.69%
State Passenger	1,071,652.87	48.35%	14.28%
Mail, express and Miscellaneous	417,523.94	18.84%	5.57%
Total.....	$2,216,311.23	100.00%	100.00%

(5) State Freight Expense.

The total freight operating expenses (undivided as between state and interstate business) including taxes and rentals, but exclusive of interest, are....	$3,615,355.94
Of which Interstate freight is 78.35% or.....	2,832,631.38
And State freight is 19.61% or.....	$708,971.30

9648 (6) Summary.

(*a*) The state freight earnings as above shown are..	$1,036,705.48
From which should be deducted operating expenses as aforesaid	708,971.30
Leaving.....	$327,734.18
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which are 10.94% of all State freight earnings.....	$22,778.54
Leaving.....	$304,955.64

This figure for 3 months, as shown by Exhibit 2, was $183,398.25. At this rate the surplus for 6 months would be $366,796.50, or $61,840.86 in excess of the actual figures.

(*c*) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 7.18% of all freight operating expenses, $3,387,496.39 (excluding taxes, $98,243.23 against which no extra cost is charged) or $243,222.24; if twice as much 13.18% of all freight operating expenses, $3,387,496.39, or $446,472.02; if three times as much, 22.65% of all freight operating expenses, $3,387,496.39 or $767,267.93, all as shown by schedule "A" hereto attached.

(*d*) From the sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is 13.82%. This percentage of all interest for six months to Dec. 31, 1907, $1,632,252.83 = $225,577.34, leaving:

With no addition account increased cost, a surplus of..	$79,378.30
If the increased cost were 50% more, there would be a deficit of.....	163,843.94
If the increased cost were two times as much there would be a deficit of.....	367,093.72
If the increased cost were three times as much, there would be a deficit of.....	687,889.63

9649 (*e*) From this sum should also be deducted a sum equalling 6% annual interest upon 13.82% of the actual value of

the road, if found by the court, over and above the bonded indebtedness, in other words, the equity in the property, or $—. This would leave $—. This latter sum will represent the actual loss upon the state freight business.

(*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded indebtedness and outstanding stock, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 13.82% of the entire value of the property, $—, or $—.

(*g*) This value may become unnecessary to determine, as a deficit may appear from the state's own valuation. The assessment of the State Board for the year 1907 was $20,412,804.90, at one-third of its actual value. So the state by action of its taxing board has practically conceded the total valuation of $61,238,414.70, 6% annual interest upon 13.82% of which value, $8,463,148.91, is $253,894.46 for six months. So this the company would be entitled to.

If, however, the court should find the actual value to be in excess of the state board's valuation, then there should be added 6% annual interest upon 13.82% of this additional value as found, or $—.

9650 (7) Passenger Earnings and Expenses.

(*a*) The state passenger earnings, excluding mail, express and miscellaneous, as above shown, are $1,071,652.87, while the expenses, including taxes and rentals, undivided as between state and interstate, are $1,929,215.74. State exclusive passenger expenses are 48.35% of all, or $932,775.81.

(*b*) The state passenger earnings as already shown, are $1,071,652.87, from which there should be deducted for expenses, exclusive of interest, $952,775.81.

(*c*) Upon this basis is appears that there is a surplus of $138,877.06. Exhibit "2" showed this surplis was $80939.89 for three months. At the same rate for the balance of the six months would make this figure $161,879.78, or $23002.72 in excess of the actual figures for six months.

(*d*) There should, however, be deducted from this surplus the extra cost of doing the state business ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained
9651 upon a revenue basis, then, as shown by Schedule B, hereto attached) if the extra cost be 15, 25, 35 or 50% this would equal these percentages of $1,849,346.78 all passenger operating expenses (excluding taxes and rentals against which no extra cost should be charged):

At 15% increased cost	3.49% or	$64,542.20
At 25% increased cost,	5.57% or	$103,008.62
At 35% increased cost	17.48% or	138,331.14
At 50% increased cost	10.06% or	$186,044.29

(*e*) There should also be added to the deficit such interest upon the bonded indebtedness upon that part of the road devoted to the

state passenger business, or 14.28% (upon a revenue basis) of the total interest $1,632,252.83 = $233,085.70. To this deficit should be added a sum equalling 6% annual interest upon 14.28% of the actual value of the road as found by the court, over and above the bonded debt or the equity in the property. This latter sum will represent the actual loss upon the state passenger business.

The surplus state passenger business after deducting operating expenses, taxes and rentals as above is...	$138,877.06
Deducting from this the interest charge of.....	233,085.70
Leaves a deficit of.....	$94,208.64

To this deficit should be added the extra cost of doing the state business.

If the extra cost were 15% more there would be a deficit of	$158,750.84
If the extra cost were 25% more there would be a deficit of	$197,217.26
If the extra cost were 35% more there would be a deficit of	$232,539.78
If the extra cost were 50% more there would	
9652 be a deficit of.....	$280,252.93

(*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 14.28% of such entire value or $—.

(*g*) This value may become unnecessary to determine as the value fixed by the State Board of Equalization shows the rate to be confiscatory. The assessment for 1907 was $20,412,804.90 and this was, as will be conceded by the state, upon one-third of the value as determined by that body. This makes a valuation of $61,238,414.70. The company would be entitled to 6% annual interest upon 14.28% of which value, ($9,075,533.06) or $272,265.99 for six months.

9653 SCHEDULE A.

(*a*) Upon the basis of the extra cost of state freight business being 50% more than interstate, the result would be:

Interstate ..... 78.35% x 1 = 78.35 = $\frac{78.35}{109.81}$ = 71.35%

= 7.00 —

State ..... 19.61% x 150 = 29.42 = $\frac{29.42}{109.81}$ = 26.79%

= 7.18 +

Miscellaneous .... 2.04 x 1 = 2.04 = 2.04 = 1.86%
109.21 109.81

= .18 —

The extra cost then is 7.18 of all freight operating expenses, $3,387,496.39, or $243,222.24.

(*b*) Upon the basis of two times more than interstate:

Interstate ..... 78.35% x 1 = 78.35 = 78.35 = 65.50%
119.61

= 12.85 —

State ..... 19.61% x 2 = 39.22 = 39.22 = 32.79%
119.61

= 13.18 +

Miscellaneous ..... 2.04% x 1 = 2.04 = 2.04 = 1.71%
119.61

= .35 —

The extra cost then is 13.18% of all freight operating expenses, $3,387,496.39 or $446,472.02.

(*c*) Upon the basis of three times more than Interstate:

Interstate ..... 78.35% x 1 = 78.35 = 78.35 = 56.28%
139.22

= 22.07 —

State ..... 19.61% x 3 = 58.83 = 58.83 = 42.26%
139.22

= 22.65 +

Miscellaneous ..... 2.04% x 1 = 2.04 = 2.04 = 1.46%
139.22 139.22

= .58 —

The extra cost then is 22.65% of all freight operating expenses $3,387,496.39 or $767,267.93.

9654 SCHEDULE "B."

If the extra cost be 15, 25, 35 or 50% upon a revenue basis, it would be thus found:

15% More.

Interstate ..... 32.81% x 1 = 32.81 = $\frac{32.81}{107.25}$ = 30.59%

= 2.22 —

State ..... 48.35% x 1.15 = 55.60 = $\frac{55.60}{107.25}$ = 51.84%

= 3.49 +

Miscellaneous .... 18.84% x 1 = $\frac{18.84}{107.25}$ = $\frac{18.84}{107.25}$ = 17.57%

= 1.27 —

Extra cost is then 3.49% of $1,849,346.78, or $64,542.20.

25% More.

Interstate ..... 32.81% x 1 = 32.81 = $\frac{32.81}{112.09}$ = 29.27%

= 3.54 —

State ..... 48.35% x 1.25 = 60.44 = $\frac{60.44}{112.09}$ *p* 53.92%

— 5.57 +

Miscellaneous .... 18.84% x 1 = $\frac{18.84}{112.09}$ = $\frac{18.84}{112.09}$ = 16.81%

— 2.03

Extra cost is then 5.57% of $1,849,346.78, or $103,008.62.

35% More.

Interstate ..... 32.81% x 1 = 32.81 = $\frac{32.81}{116.92}$ = 28.06%

= 4.75 —

State ..... 48.35% x 1.35 = 65.27 = $\frac{65.27}{116.92}$ = 55.83

= 7.48 +

Miscellaneous .... 18.84% x 1 = 18.84 = 18.84 = 16.11%
116.92 116.92

— 2.73 —

Extra cost is then 7.48% of $1,849,346.78 or $138,331.14.

50% More.

Interstate ..... 32.81% x 1 = 32.81 = 32.81 = 26.42%
124.18

= 6.49 —

State ..... 48.35% x 1.50 = 72.53 = 72.53 = 58.41%
124.18

= 10.06 +

Miscellaneous .... 18.84% x 1 = 18.84 = 18.84 = 15.17%
124.18 124.18

= 3.67 —

Extra cost is then 10.06% of $1,849,346.78, or $186,044.29.

9655 Ex. 58.

Frisco.

Statement of Passenger Business for One Year—July, 1907, to June 30, 1908.

1. Earnings.

	Interstate.	State.	Total.
Passenger	$1,356,681.12	$1,826,250.91	$3,182,932.03
Mail, Express & Miscl.	.....	.....	842,312.37
Total			$4,025,244.40

2. Expenses (Undivided as Between State and Interstate).

Maintenance of Way and Structures	$706,428.49
Maintenance of Equipment	537,816.98
Traffic Expenses	138,118.58
Transportation expenses	1,729,573.27
General Expenses	171,031.50
Total Operating Expenses	$3,282,968.82
Taxes	72,077.40
Rentals	90,332.43
Total Expenses	$3,445,378.65

3. Percentage of Earnings.

	% of pas'g'r earnings.	% of all earnings.
State	45.37%	13.38%
Interstate	33.70%	9.94%
Miscellaneous	20.93%	6.17%

The details of the freight earnings have not been worked out for the entire year, but the figures are at hand showing undivided the earnings in Missouri for the year ending June 30, 1908. These are $13,649,274.03, of which the state passenger earnings for that period, $1,826,250.91 are 13.38%.

4. The total State earnings were	$1,826,250.91
From which should be deducted 45.37% of all passenger operating expenses, $3,282,968.82 or	$1,489,482.95
Leaving	$336,767.96
There should also be deducted 45.37% of all passenger taxes and Rentals, $162,409.83, or	73,685.34
Leaving	$263,082.62

9656 Upon the three months' statement Exhibit 2, $80,939.89 represents the surplus before deducting extra cost or interest charge or making allowance for the value of the property. For a year this would be $323,759.56 or $60,676.94 in excess of the actual figures for the year.

For 6 months (Exhibit —) the surplus was $138,877.06. At the same rate for one year this would be $277,754.12 This is $14,671.50 in excess of the actual figures for one year.

5. The extra cost of doing State business over interstate as per Schedule "A" attached is

At 15% more 3.48%, or $114,247.31
At 25% more 5.57% or $182,861.36
At 35% more 7.49% or $245,894.36
At 50% more 10.10% or $331,579.85

6. State passenger proportion of total annual interest charge equals

13.38% of $3,256,015.62 or $435,654.89.

State passenger proportion of 6% annual interest upon three times the state Board's assessed valuation.....	$61,238,414.70	
equals 13.38% of 6% of $61,238,414.70, or	$491,621.99	
Balance as above, after deducting operating expenses, Taxes and Rentals is.....		$263,082.62
Deducting from this the proportion of interest charge..		435,654.89
Leaves deficit of		$172,572.27

To this deficit should be added the extra cost of doing state business over interstate.

9657

If the extra cost were 15% more, there would be a deficit of $286,819.58
" " " " " 25% " " " " " " " " $355,433.63
" " " " " 35% " " " " " " " " $418,463.63
" " " " " 50% " " " " " " " " $504,152.12

9658 SCHEDULE "A."

If the extra cost be 15, 25, 35, or 50% more, upon a revenue basis, it — be thus found:

At 15% More.

Interstate ..... $33.70\% \times 1 = 33.70 = \frac{33.70}{106.81} = 31.55\%$

$= 2.15\% -$

State ..... $45.37\% \times 115 = 52.18 = \frac{52.18}{106.81} = 48.85\%$

$- 3.48\% +$

Miscellaneous .... $20.93\% \times 1 = \frac{20.93}{106.81} = \frac{20.93}{106.81} = 19.60$

$= 1.33\%$

Extra cost is then 3.48% of $3,282,968.82 or $114,247.31.

At 25% More.

Interstate ..... $33.70\% \times 1 = 33.70 = \frac{33.70}{111.34} - 30.27\%$

$= 3.43\% -$

State ..... 45.37% x 125 = 56.71 = 56.71 = 50.94%
111.34
= 5.57% +

Miscellaneous .... 20.93% x 1 = 20.93 = 20.93 = 18.79%
111.34 111.34
= 2.14% —

Extra cost is then 5.57% of $3,282,968.82, or $182,861.36.

At 35% More.

Interstate ..... 33.70% x 1 = 33.70 = 33.70 = 29.08%
115.88
= 4.62% —

State ..... 45.37% x 135 = 61.25 = 61.25 = 52.86%
115.88
= 7.49% +

Miscellaneous .... 20.93% x 1 = 20.93 = 20.93 = 18.06%
115.88 115.88
= 2.87 —

Extra cost is then 7.49% of $3,282,968.82 or $245,894.36.

At 50% More.

Interstate ..... 33.70% x 1 = 33.70 = 33.70 = 27.47%
122.69
= 6.23% —

State ..... 45.37% x 150 = 68.06 = 68.06 = 55.47%
122.69
= 10.10% +

Miscellaneous .... 20.93% x 1 = 20.93 = 20.93 = 17.06%
122.69
= 3.87% —

Extra cost is then 10.10% of $3,282,968.82 or $331,579.85.

(Here follows Analysis of Passenger Earnings of Missouri Pacific Railroad Co., marked p. 9659.)

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9660 DEF'TS' EX. 60.

Comments on Santa Fe Railway Passenger Train Tests.

Exhibit 39 covers all main line passenger trains in Missouri, November 16th to 24th, 1908, inclusive.

There were 18,693 Through Train Miles at 68.93¢, making $13,885.08
There were 3,618 Local Train Miles " " " 3,493.89

The Through Trains made 719,571 Interstate Passenger Miles, and
they also made..... 101,952 State Passenger Miles or

A total of..... 821,523 Passenger Miles.

The Local Trains made... 8,470 Interstate Passenger Miles, and
they also made..... 57,978 State Passenger Miles, or

A total of..... 66,448 Passenger Miles.

$12,885.08 divided by 821,523 gives average cost per passenger mile on Through Train of 1.5634 cents.

$2,483.89 divided by 66,448 gives average cost per passenger mile on Local trains of 3.753 cents.

Now, if all the State passengers had been handled on the local trains the total cost of the trains would have been the same, but the cost per passenger mile would be only 1.559 cents. (Example: $2,493.89 divided by 159,930 gives 1.559 cents.)

There is no reason why all of the State Passengers could not have been carried on the local trains, because they must stop at every station, and the number of passenger miles per train mile would have been only 44 (found by dividing the total State passenger miles by the Local train miles). That is, the average number of passengers handled per train mile would have been 44; while the local trains were made up of 1 combination passenger and baggage car, 1 coach and 2 chair cars. The number of passengers on the train may have varied greatly from time to time, but it is fair to assume that there would have been no lack of seating room at any time.

The through trains are made up and run for the through or interstate passengers, and the State passengers handled on these trains are only an incident in the running of these trains. If the State
9661 passengers had not been handled on the through trains, and the interstate passengers handled on the local trains had been handled on the through trains, the number of passenger miles made by through trains would have been 728,041, but the total train cost would have been the same, and the cost per passenger mile would have been 1.769 cents. (Example: $12,885.08 divided by 728,041 would give 1.769 cents.)

1.769 cents, the through train passenger mile cost arrived at the

above, is 2.1 mills more than 1.559 cents, the local train passenger mile cost; and 1.559 cents is only 88.12 per cent of 1.769 cents.

If the 8,470 interstate passenger miles made by local trains could not have *neem* advantageously made by the through trains and this figure be deducted from the through train figures shown above, there would remain 719,571 interstate passenger miles to be charged with the cost of $12,885.08, or 1.790 cents per mile.

And if the 8,470 interstate miles referred to above be added to the State passenger miles of 159,930 the total, 168,400, would be chargeable with the local train cost of $2,493.89, or 1.479 cents per mile.

1.790 cents, the through train passenger mile cost arrived at as above, is 3.11 mills more than 1.479 cents, the local train passenger mile cost; and 1.479 cents is only 82.63 per cent of 1.790 cents.

Exhibit 40 covering all main line passenger trains in Missouri for November 25th to December 6th, 1908 inclusive, shows even greater differences between the cost of interstate and state passenger miles, when the figures are used as shown above for Exhibit 39.

9662 DEF'TS' EX. 61.

No. 2988.

ST. L. & S. F. R. R.
vs.
HERBERT S. HADLEY ET AL.

The revenue on state passengers as shown by Exhibit 2 amounted to	$599,051.59
And on interstate passengers	$368,687.43
The miscellaneous passenger earnings (mail, express, extra baggage etc.) amounting to $203,077.28, if divided on the basis of state and interstate passenger revenue, would add to the state earnings	$125,704.84
And to the interstate earnings	$77,372.44
Making the total state earnings	$724,756.43
And total interstate earnings	$466,059.87
The total passenger expenses as shown in Exhibit 2 amounted to	$1,004,871.41
Deducting taxes, $17,075.49 and rentals, $21,904.14, would leave	$965,891.78

The figure for miscellaneous passenger earnings shown in the Company's statement is $194,152.45, or $8,924.83 less than that stated above, due to the fact that the Company charged hire of equipment, $8,924.83, against its miscellaneous earnings. If we add this amount, $8,924.83 to the operating expenses shown above, the total will be..... $974,816.81

If the figure, $974,816.61, be divided between state and interstate on the basis of passenger miles, the charge to state business will be..... $578,261.18

And to interstate business $396,555.43

If the figure, $974,816.61, be divided between state and interstate on the basis of state passengers costing 10% less per passenger mile than the
9663 interstate the amount to be charged against state business will be $553,208.40

And against interstate business..... $421,608.21

If the figure, $974,816.61, be divided between state and interstate on the basis of state passengers costing 20% less per passenger mile than interstate, the amount to be charged to state business would be $524,841.25

And to interstate business $449,975.36

Summarizing the foregoing figures we find the results to be as follows:

	State.	Interstate.	Total.
Earnings.....	$724,756.43	$446,059.87	$1,170,816.30
Expenses (State costing same as interstate per passenger mile).....	578,261.25	396,555.43	974,816.61
Net Earnings.....	146,495.25	49,504.44	195,999.69
Earnings.....	$724,756.43	446,059.87	$1,170,816.30
Expenses (State costing 10% less than interstate per passenger mile).....	553,208.40	421,608.21	974,816.61
Net earnings.....	$171,548.03	24,451.66	195,999.69
Earnings.....	$724,756.43	446,059.87	1,170 816.30
Expenses (State costing 20% less than interstate per passenger mile).....	524,841.25	449,975.36	974,816.61
Net earnings.....	199,915.18	3,915.48*	195,999.69

* Loss.

9664 The rentals, $21,904.14, included part of the dividend of 4% on the preferred stock of the Kansas City Fort Scott & Memphis Railroad Company, or $14,436.93. Excluding this amount leaves $24,542.70 for taxes and rentals chargeable to the passenger business, of which the State proportion on a passenger basis is $14,558.73.

The net earnings on State business, on the various bases shown above, were respectively	$146,495.25	$171,548.03	$199,915.18
Taxes and Rentals above, deducted	14,558.73	14,558.73	14,558.73
Balance applicable to value of property	$131,936.52	$156,989.30	$185,356.45

The assessed value of the property in Missouri including franchise, was, for the year 1907 ..... $20,412,804.90

Three times this figure would be $61,238,414.70

The State passenger earnings shown above were 17.90% of the gross earnings in the State on all business; and 17.90% of $61,238.414.70 is $10,961,676.23

One fourth of this amount (on which the balances applicable to value of property should be applied) would be $2,740,419.06

$131,936.52, the balance applicable to value of property on the even cost basis, would be 4.81% on the above value of $2,740,419.06.

$156,989.30, the balance applicable to value of property on the 90% basis (State costing 10% less per passenger mile than the interstate) would be 5.72% on the above value of $2,740,419.06.

9665 $185,356.45, the balance applicable to value of property on the 80% basis (State costing 20% less per passenger mile than the interstate would be 6.76% on the above value of $2,740,419.06.

The passenger miles used in the above calculations are the figures shown in the Exhibit #2, namely:

State ..... 31,042,395, or 59.32%
Interstate ..... 21,284,235, or 40.68%

9666

DEF'TS' EX. 62.

No. 2988.

ST. LOUIS AND SAN FRANCISCO RAILROAD
vs.
HERBERT S. HADLEY ET AL.

Tons Shown by Exhibit 19 in the Missouri Pacific Case, and by Exhibit 36 in the Burlington Case.

	C. L. Interstate.	L. C. L. Interstate.	C. L. State.	L. C. L. State.
C., B. & Q.	516,878	27,199	78,169	8289
Mo. Pac.	442,261	17,240	141,640	9393
Total	959,139	44,439	219,809	17,682

In interstate, the C. L. is 95.57 per cent of all interstate.

In State, the C. L. is 92.55 per cent of all State.

If we take 100 tons each of State and Interstate, and divide the State C. L. (92.55/100) by 27 tons, it will show that 3 43/100 cars would be required. The L. C. L. (7 45/100) would require 1 86/100 cars at an average loading of 4 tons each.

The C. L. Interstate (95.57) would require 4.24 cars at an average of 22.50 tons each, and the L. C. L., 4.43/100 tons, at 4 tons to each car, would require 1.11/100 cars.

The total cars for Interstate would be 5.35/100
And for State 5.29/100

9667

EXHIBIT #63.

ST. & S. F. R. R. Co.
vs.
HERBERT S. HADLEY ET AL.

Tonnage of 24 Through and 24 Local Trains on St. — & S. F. R. R. in Missouri, July 17th, 1907, Reduced as Shown Below.

Through Trains.

2,601 Train Miles—

	Tons one mile. State.	Tons one mile. Interstate.	Total.
L. C. L.	14,908	104,357	119,265
C. L.	91,915	641,745	733,660
Total	106,823	746,102	852,925
950 Train Miles at average for 2,601 would give— Total	38,950	272,650	311,600

Local Trains.

The Main Line local trains ran 950 Miles and made the following ton miles:

	State.	Interstate.	Total.
L. C. L.	9,580	10,132	19,712
C. L.	65,796	69,463	135,259
	75,376	79,595	154,971

950 Through Train Miles at 36c. (per Exhibit 6)			$342.00
State	12.50%	$42.75	
Interstate	87.50%	299.25	
950 Local Train Miles at 44c. (Exhibit 6)			$418.00
State	48.6%	$203.15	
Interstate	51.4%	214.85	

9668

	State.	Interstate.
Ton one mile	114,326	352,245
Train cost	$245.90	$514.10
Average cost per ton per mile	.00215	.00146

Cost per State ton mile 1.47 times that of Interstate.

L. C. L. Tonnage divided between State and Interstate on basis of carload tonnage.

9669 DEF'TS' EX. 64.

No. 2988.

ST. L. & S. F. R. R.
vs.
HERBERT S. HADLEY et al.

The revenue on state freight as shown by Exhibit 2 amounted to	$577,192.84
And on Interstate freight	$2,214,002.82
The miscellaneous freight earnings (switching, demurrage, storage, etc.) amounting to $86,814.57, if divided on the basis of state and interstate freight revenue would add to the state earnings	$17,953.25
And to interstate earnings	$68,861.32
Making the total state earnings	$595,146.09
And the total interstate earnings	$2,282,864.14
The total freight expenses as shown in Exhibit 2 amounted to	$1,889,354.32
Deducting taxes, $49,254.27 and rentals, $63,197.77 would leave	$1,776,902.28

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The figure for miscellaneous freight earnings shown in the Company's statement is $60,903.59, or $25,910.98 less than that stated above, due to the fact that the Company charged hire of equipment, $25,910.98, against its miscellaneous earnings. If we add this amount, $25,910.98, to the operating expenses shown above, the total will be..... $1,802,813.26

If the figure $1,802,813.26 be divided between state and interstate on the basis of ton miles, the charge to state business will be..... $236,168.61

And to interstate business..... $1,566,644.65

If the figure, $1,802,813.26, be divided between state and interstate on the basis of state freight costing 30% more per ton mile than the interstate,

9670 the amount to be charged against said business will be..... $295,300.81

And against interstate business..... $1,507,512.45

If the figure, $1,802,813.26, be divided between State and interstate on the basis of State freight costing 50% more per ton mile than the interstate, the amount to be charged to State business would be... $332,438.78

And to interstate business..... $1,470,374.50

Summarizing the foregoing we find the results to be as follows:

	State.	Interstate.	Total.
Earnings.....	$595,146.09	$2,282,864.14	$2,878,010.23
Expenses, (State costing same as interstate per ton mile).....	236,168.61	1,566,644.65	1,802,813.26
Net earnings.....	358,977.48	716,219.49	1,075,196.97
Earnings.....	$595,146.09	2,282,864.14	2,878,010.23
Expenses (State costing 30% more than interstate per ton mile)...	295,300.81	1,507,512.45	1,802,813.26
Net earnings.....	299,845.28	775,351.69	1,075,196.97
Earnings.....	595,146.09	2,282,864.14	2,878,010.23
Expenses (State costing 50% more than interstate per ton mile)...	332,438.76	1,470,374.50	1,802,813.26
Net earnings.....	262,707.33	812,489.64	1,075,196.97

9671 The rentals, $63,197.77, included part of the dividend of 4% on the preferred stock of the Kansas City Ft. Scott & Memphis Railroad, or $41,643.09. Excluding this amount, leaves $70,808.95 for taxes and rentals chargeable to the freight business, of which the State proportion on a ton mile basis if $9,275.97.

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The net earnings on State business on the various basis shown above were respectively.....	$358,977.48	$299,845.28	$262,707.33
From which we deduct taxes and rentals.....	9,275.97	9,275.97	9,275.97
Also diminution in revenue..	11,389.27	11,389.27	11,389.27
Leaving balance applicable to value of property.....	338,312.24	278,180.04	242,042.09

The assessed value of the property in Missouri, including franchise, was, for the year 1907.....	$20,412,804.90
Three times this figure, would be.....	61,238,414.70
The State freight earnings shown above were 14.69% of the gross earnings on all business; and 14.69% of $61,238,414.70 is...	8,995,923.12
One-fourth of this amount (on which the balances applicable to value of property should be applied) would be.....	2,248,980.78

$338,312.24 the balance applicable to value of property on the even cost basis, would be 15.04% of the above value of $2,248,980.78.

$278,180.04, the balance applicable to value of property on the 130% basis (State costing 30% more per ton mile than
9672 the interstate) would be 12.37% on the above value of $2,248,980.78.

$242,042.09, the balance applicable to value of property on the 150% basis (State costing 50% more per ton mile than the interstate) would be 10.76% on the above value of $2,248,980.78.

The ton miles used in the above calculations are the figures shown in Exhibit 2, namely:

State.....	33,177,919 or 13.10%
Interstate.....	220,064,905 or 86.90%

The revenue per ton per mile on State freight averaged 1.739 cents or 72.86% more than the average per ton mile of 1.006 cents on interstate freight.

9673 **Ex. 65.**

Outline of Testimony to be Given by A. P. Taliaferro, Representing Haskins & Sells, Certified Public Accountants.

Basis for Dividing Value of Property.

If the property exists for the purposes for which it is being used, then there is no reason why state business should be charged with *more* than a gross-earnings proportion of the cost of supplying facilities; and if the amount of use is to be the basis, state business should be charged according to the number of ton miles made. In the Mis-

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souri Pacific case, while Mr. Stith was on the stand (page —), the Master said that the property did exist for the purpose for which it was being used, and that any other view of the matter was purely acedemic. The revenue per ton mile on state freight being nearly twice that on interstate freight, and the earnings per passenger per mile being greater on state business than on interstate business, it follows that if the earnings be taken as a basis for dividing the value of the property, state business is by this one step charged with much more in proportion to the amount of use than interstate business.

The Revenue vs. the Ton-mile and Passenger-mile Basis for Dividing Expenses.

The use of the revenue as a basis for determining the cost of the State and Interstate business, violates every principal of cost finding. With the number of state and inter-state ton miles, and the number of state and interstate passenger miles, the total expenses of doing
the freight and passenger business, can be divided between
9674 state and inter-state after proper allowance has been made for
the excess cost per ton mile of state over interstate freight, and the smaller cost per passenger-mile of state than interstate business. The expenses follow, directly, the work performed. If a division is operated at a low cost per ton mile this benefit accrues to both state and interstate business. On the other hand, where the cost is high it operates against both the state and the interstate. Every facility provided by the company is used in both classes of business—state and interstate, and both classes are carried on all kinds of trains,—through trains as well as the local trains. The difference in cost is not all a matter of opinion.

The ton-mile basis does not ig*m*ore the elements of cost. The railroads work up their statistics on the ton-mile basis and the ton-mile costs mean a great deal to the operating man. An important part of the accounting business is the putting in of cost systems, and we say that the ton-mile and the passenger-mile are the best units that can be used in dividing expenses between state and interstate business. We do not say that the ton-mile costs on one road should be compared with those on another; undoubtedly there would be wide variations between the figures of different roads. One of the greatest weaknesses of the revenue basis lies in the fact that the railroads must all charge the same rates between the same points, whereas the cost of moving business between those points by different routes varies greatly. What we say is that the same tracks, the same cars, the same engines, the same crews, in fact all facilities of the railroad, are used for both state and interstate business. The ton-miles and passenger miles and the total expenses for any period can be worked
out. It then becomes necessary to divide those expenses be-
9675 tween the various classes of business, and the only thing that
has to be considered is the *difference* in cost. If the average on all business is high, the cost of state and interstate will both be high; if low, both the state and interstate costs will be reduced. Other reasons why the ton-mile and passenger-mile are the proper units are

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these: The railroads are organized and operated for the purpose of moving freight and passengers from one point to another, and from every point to every other point. Every kind of expense incurred relates directly or indirectly to the *movement* of the traffic; therefore, the length of the haul is the first thing to be considered. The ton-mile and passenger-mile give first consideration to the length of the haul. We do not say that it costs so much per ton or so much per car, but so much per ton mile. There is interstate business that costs much more per ton mile than state business, because it is in less than carload lots, and hauled a shorter distance than the state freight. It is only by working out the *average haul* of the two classes, and taking into consideration the proportions of less than carload and carload business in each class, that an intelligent estimate of the difference in cost can be made. The revenue basis largely ignores the length of haul; whole sections of the country are grouped and the same rates applied to all points in making tariffs. Traffic men admit that the cost of the service rarely enters into their calculations; rather, they consider the value of the commodity, and the value of the service to the patron. Rates are frequently changed to meet competition from an entirely different direction, and the statement that cost changes as the charge for the service changes is on its face absurd. If the revenue derived had any direct relation to the cost of the service, the Missouri part of all railroads should be operated at about the same percent of expenses to gross earnings; but we
9676 know that these figures vary from less than 60 per cent on the Cotton Belt road to more than 100 per cent on some of the other roads.

Mr. Doddridge stated that having satisfied himself of the extra cost in Transportation Expenses, he knew of no better basis for dividing Maintenance, Traffic and General Expenses. We think there would be just as much reason for dropping the extra expense where it does occur, as for adding it where it does not occur.

The operating expenses are divided under five general heads, as follows:

Maintenance of Way and Structures.
Maintenance of Equipment.
Traffic Expenses.
Transportation Expenses.
General Expenses.

Maintenance of Way and Structures:

A ton of interstate freight gets just as much use of each mile of track over which it passes as a ton of state freight, for the reason that it takes as many cars to carry a given amount of Interstate freight as to carry the same amount of State freight. The only tracks not used by trans-state freight are the team and warehouse tracks at stations. The maintenance of such tracks is a small item when compared with the maintenance of main tracks, second tracks, and passing sidings,—small whether considered in the aggregate or per mile of such tracks. As a road runs—through deep cuts and tunnels, over large and small ravines, rivers, creeks, etc., large ex-

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penditures are necessary for ditching, widening embankments, surfacing trestles, painting bridges and ballasting, but these expenses are rarely incurred in connection with team and warehouse tracks.

If the use of tracks is to be measured by the dead load, (and
9677 this is undoubtedly proper) it will have to be admitted that there is more less than carload state freight than interstate freight, in proportion to the total tonnage of state and interstate freight; but state carload freight is loaded much more heavily on the average than interstate carload freight. This could be assumed from the fact that it is the lighter classes of commodities that go the linger distances,—such as live stock, dressed meats, fruits, cotton, etc., while the heavier commodities, particularly coal, sand, brick, stone, etc. travel shorter distances, on the average.

Exhibit #8 in the Missouri Pacific case shows the number of loaded cars handled at 88 stations on that road in the month of October, 1905—the tonnage being divided between state and interstate. The total number of tons divided by the number of cars used, gives an average loading of twenty-seven tons for State and 22½ tons for Interstate freight. The average load of state freight was 20% over the interstate. It can be almost exactly shown by figures that there could not be any more use of the track by state freight than by interstate freight, on a ton-mile basis.

Exhibit #36 in the Burlington case shows that 58 per cent of all the tons handled on that road in the month of September, 1906, were second class interstate, and that only 27 per cent were trans-state. This indicates that while the transstate business would not require the establishment and maintenance of so many freight and passenger stations (although telegraph operators would have to be stationed not more than ten miles apart, where the through business was heavy) the stations are established and maintained more for the second class interstate business than for the state business. In Exhibit #36 referred to above, the tons of second class interstate were
9678 more than four times as great as the tons of state freight; so that if we admit that a ton of second class interstate could have only half as much use of the terminals as a ton of state freight, there would still be more than twice as much use by the second class interstate, taken as a whole, as by the state freight.

In one way it might be considered that it costs more per ton per mile to maintain track for the interstate business than for the state business, because competition makes it necessary to run trains much faster than would otherwise be the case. Of course state business gets the benefit of all the work that is done on the track, but that business could be done at a lower cost for actual maintenance if the necessity for high speed did not exist. For the above reasons we say that it does not cost any more to maintain the way and structures for the handling of state freight than for the handling of interstate freight.

With the passenger business, the situation is somewhat different, as there is much more use of the track per passenger mile by sleeper and parlor car passengers than by coach passengers. There are more state passengers than interstate passengers, but the team and warehouse tracks are not used for the passenger business, and the mainte-

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nance of stations is a small item in the cost of maintaining way and structures.

Certain tracks at stations, viz: the long passing sidings, would not be so necessary for the local trains. These sidings are maintained and kept clear in order to expedite business, but the local trains would not require so much room in order to let other trains pass.

9679 As to the wear and tear of switch points, frogs, etc. at station sidings, it would seem that this is chargeable more to the second class interstate than to the state business, because of the lighter loading of the cars, and the fact that a larger percentage of this business than of the state business is in carloads. Much of the less than carload freight is unloaded from the main track, either by being carried to the platform or handled on skids.

Maintenance of Equipment:

The only theory upon which state freight could be charged with a larger cost per ton per mile for maintaining equipment would be that it received more use of the equipment. As 95 per cent of all the tonnage of the railroad is in carloads, and as the state carload freight is loaded more heavily on the average, than the interstate carload freight, it is difficult to see how there could be more expense in connection with the state freight than with the interstate freight. As to the delay to cars at the stations being greater in the case of state than of interstate freight—this goes to the cost of supplying the equipment rather than to maintaining it, and should not be considered as part of the operating expense. The interstate freight is handled longer distances, on the average, than the state freight (far enough to get the use of one divisional point in addition to the originating or delivering stations) and we think it fair to assume that there is no greater cost per ton per mile for maintaining cars for state freight than for interstate freight. As to the maintenance of equipment for the handling of passenger traffic, it can be stated that if the cost were divided on the basis of passenger miles, it would probably be more in the case of state business than interstate business because more interstate passengers are handled in sleeping cars than in the case of state business.

9680 [illegible]ffic Expenses:

It must be plain to everyone who is at all familiar with the railroad business that the time of the traffic department—a department which is engaged in soliciting business, getting out tariffs, keeping competitive rates in line with those of other roads and routes, etc. is chargeable in much greater proportion per ton mile to the interstate business than to the state business. The farther a shipment goes, the more competition it meets, and the more likely it is to be interstate than state business. The local or state business largely takes care of itself; such of it as is competitive has to be looked after with special care, but the large proportion of it practically takes care of itself. The rates seldom change; the freight is handled when it is convenient for the railroads to handle it; it takes second place when

competitive freight has to be handled; and in every way, speaking generally, it is given less attention than the interstate or long haul business. For the above reasons we think that the traffic expenses on the state freight business are less per ton per mile than on the interstate freight business.

In the passenger business the above reasons (for thinking that the expense is less on state business per passenger mile than on interstate) will also apply.

Transportation Expenses:

The transportation department deals particularly with the movement of freight and passengers. While it intends to handle all classes safely and expeditiously, its greatest care and concern are in connection with the competitive business, and as the long haul business is more highly competitive than the short haul, it is fair to assume that it is more apt to be interstate than state. It fol-
9681 lows, therefore, that the expenses included under this head, such as superintendence, dispatching trains, stationery and printing etc. are less per ton mile and per passenger mile on state business than on interstate business. The extra expenses of state freight business must be in connection with the station, yard, train and engine service.

Station Service: There is more expense per ton mile, in the case of station and yard service, on state than on interstate freight, because the haul is shorter, thus giving fewer ton miles over which to spread the station expenses connected with a particular shipment. As the average haul of state freight is more than half the average haul of interstate freight, the station expenses should not be more than double, per ton per mile, because all freight must get some use of every terminal and division point through which it passes. Second class interstate freight is hauled more than one hundred miles, on an average, and as division points are about one hundred miles apart, it must get not only the full use of one terminal, but the partial use of another. First class or trans-state would get the use of one or two large terminals, and one or two division points, in many cases. If the company had nothing but trans-state business it would not have to have so many stations but it would have to maintain telegraph offices not more than ten miles apart. Many of the small stations have only one man who does the telegraphing, looks after the freight, sells tickets, etc. Assistance, when any is needed, is frequently forthcoming without cost to the company. According to Exhibit 36 there were over four times as many tons of the second class of interstate as of state freight handled in Missouri in Septem-
ber, 1906. This shows that on an average, each station must
9682 have given twice as much attention to interstate as state freight, and it cannot be said that any kind of expense of running the stations could have been done away with if there had been no state freight. However, as the average haul of state freight is only about half that of interstate, the station expenses would be greater per ton per mile on state freight than on interstate, and it might be twice as much. We do not admit that trans-state freight

gets no use of any terminal in the state. In Missouri, particularly, where the large cities are on the east and west borders of the state, a great deal of service is given to cars passing through these terminals, and it frequently takes days to get cars through them. A large part of the time of the clerical force at large stations and junction points, is taken up in the making and checking of billing covering other than local shipments. There is no trouble in handling the local shipments, but billing over several roads is complicated.

In the passenger business, the average haul of the Interstate is about three times that of the State passenger, and the cost for station service may be only about one-third the cost of the State passenger.

Yard Service: This service consists of breaking up and making up trains, placing cars for loading and unloading, and the general work of shifting and checking cars in the terminal and division yards. There is no yard service at the local stations, as the shifting at these stations is done by the engines attached to the local trains. The difference between the service given a car in state traffic and in the second class traffic is this, that on state shipments the car has sometimes to be placed for loading and taken out when loaded,
9683 then placed for unloading at destination and taken out when unloaded, while the car for the interstate shipment may be saved one of these handlings. A trans-state shipment has to be taken into the company's train at St. Louis or Kansas City, if routed through either of these points, and hauled through one or more divisional points.

There is a class of state business which gets only the use of one terminal on a particular road, as the word terminal is used in this case by the railroad companies, and that is business starting in the state on one road, destined to a point on another road.

Considering all of the conditions named above we say that the state freight does not cost more than twice as much per ton per mile as the interstate business for yard service.

Yard service would not be three times as much per passenger mile, because of the handling of cars in making up passenger trains which contribute very little to the State business.

Train and Engine Service: If the through and local trains carried the same proportions of state and interstate business there could be no difference in the cost of train and engine service in handling state and interstate business. It appears, however, that a larger proportion of the total state tonnage than of the interstate tonnage is carried in local trains, and this would tend to increase the cost per ton per mile of the state business for train and engine service. It should be borne in mind that the less than carload ton miles are only about six per cent of the total ton miles, the Interstate being about three times the state.

The cost of train service depends, as has been suggested
9684 upon the weight to be hauled, and in this connection the proportion of dead weight to the total weight should not be overlooked. Now as 95 per cent of all the tonnage is carload business, and state carload freight is loaded 20 per cent heavier, on the average, than interstate carload freight, it is evident that the percentage

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of dead weight to the total weight is as high in the case of interestate as in the case of state freight. The "waste space" so often referred to could only apply to the less than carload business, because there is no "waste space" when cars are loaded to the minimum required in the classification governing the rates. Admitting that a larger percentage of state than of interstate freight, is in less than carloads, and that the less than carload freight averages only 3 to 6 tons per car, it is seen that this "waste space" so often referred to is more than made up by the higher average loading of state carload freight than of the interstate. The short haul has nothing to do with the cost of train service, except as it might be responsible for the setting out of cars where others could not be taken into the train. No one would contend that through and local train service costs the same per ton per mile, because the through trains carry more tonnage, and the capacity of their engine is more nearly employed; but through trains carry both state and interstate freight, and local trains carry both state and interstate freight, and the only reason why the state freight costs more per ton per mile for train service, than interstate freight, lies in the fact that the local trains haul a larger percentage of the total state than of the total interstate freight. We think the excess cost per ton mile of state freight over interstate freight, due to the local trains carrying a greater percentage of the total state than of the total interstate freight, is not more than 50 per cent of
9685 the cost per ton mile of interstate freight.

In the handling of passengers the state passengers cost much less per passenger mile than the interstate, for train and engine service, because of the greater number of coach passengers in state traffic.

Arbitrary Train Service: While local trains are referred to as arbitrary trains, this can only apply to the freight business, because through passenger trains are regularly scheduled and must run whether there is any business or not. Moreover, they usually carry the same equipment regardless of the number of passengers, while in the local passenger service a car can be added or taken off at the last moment. As the local freight trains carry much more interstate freight than state freight, it would seem that the arbitrary freight train service is due more to the interstate than to the state business. Again, if it were not necessary to expedite the competitive traffic, the local trains could carry much of the freight now handled by through trains.

Light Mileage: As the freight business usually moves in one direction, according to the season, much empty car mileage is necessary in order that cars may be taken to points where they can be loaded; and it sometimes happens that engines run light, (without any cars whatever except the caboose) for the purpose of bringing back trains. In the local service this is not necessary, because the business is not so highly competitive (if competitive at all) and the local trains can supply the cars for it. They may not supply such cars for days after they are ordered, but the patrons of the road cannot help themselves.

Cost of Stopping Trains: If the stopping of the passenger
9686 trains and the shifting of local trains add so much expense, then it might *to* considered that they add more to the cost of

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interstate than to state business. The interstate business is handled longer distances on the average than state business, and as much of it is obliged to be handled in local trains it not only should be charged with the cost of stopping and shifting on its own account, but also with a proportion of the stops and of the shifting necessary at intermediate points.

General Expenses:

The remarks made elsewhere in connection with traffic expenses and with the supervision of transportation will apply here. The company officials are engaged principally in providing for, securing, and expediting the movement of competitive freight. The clerks in the auditor's office have no trouble in revising the billing for local shipments where the company gets all of the revenue, and this kind of work requires a very small part of their time. It is on way bills covering shipments traveling long distances and over several roads that so much time is spent, and after a way bill is revised it has to be settled in joint account, and this takes time.

These remarks also apply to the local as compared with the through or competitive passenger business.

For the reasons given above, and for other reasons which will readily suggest themselves to those familiar with the railroad business, it is evident that the general expenses cannot be as much per ton mile or per passenger mile on state business as on interstate business.

9687 EXHIBIT 66.

#2988

ST. L. & S. F. R. R. Co.

VS.

H. S. HADLEY ET AL.

Freight Operating Expenses, Shown by Exhibit #2, Divided Between State and Interstate on Various Bases. No Deduction Made on Account of Expenses in Connection with Miscellaneous Freight Earnings, but Taxes and Rentals Excluded.

The total expenses, as described above, amounted to $1,802,813.21 divided as follows:

Maintenance of Way and Structures	$334,481.87
Traffic Expenses	41,718.41
Maintenance of Equipment	413,832.67
Transportation Expenses:	
Station Service	165,449.43
Yard "	129,456.12
Train "	173,255.21
Engine "	334,833.73
Other Transportation Expenses	131,104.74
General Expenses	52,770.05
Hire of Equipment	25,910.98

If the amount, $1,802,813.21, be divided between State and Interstate on per cents representing the ton miles of each class of freight (State 13.1%; interstate 86.9%—See note 1) state freight would be charged with $236,168.56 and interstate freight with $1,566,644.65—the details of the state expenses being as follows:

M. W. & S.	$43,817.12	
M. E.	54,212.08	
Traffic	5,465.11	
Transportation:		
Station	21,673.87	
Yard	16,958.75	
Train	22,696.43	
Engine	43,863.22	
Other	17,174.72	
General	6,912.88	
Hire of Equipment	3,394.34	
Total		$236,168.56

9688 If all of the expenses on State freight were four times as much per ton mile as on Interstate freight, the cost of State freight would be arrived at as follows:

State expenses $236,168.56 x 4 equals	$944,674.65	or 37.62%
Interstate Expenses	1,566,644.65	or 62.38%

$1,802,813.21, the total expenses, if divided on the above per cents (37.62 and 62.38) would give for State freight $678,218.33 and for Interstate $1,124,594.88. The cost per ton mile of State freight would be .02044 and of Interstate .00511,—the State exceeding the Interstate by 300%.

If the Transportation Expenses on state freight were four times as much per ton mile as on Interstate freight, and all other expenses were the same on State as on Interstate per ton mile, the cost of State freight would be arrived at as follows:

M. W. & S.	43,817.12 x 1	equals	$43,817.12	
M. E.	54,212.08 x 1	"	54,212.08	
Traffic	5,465.11 x 1	"	5,465.11	
Transportation:				
Station	21,673.87 x 4	"	86,695.48	
Yard	16,958.75 x 4	"	67,935.00	
Train	22,696.43 x 4	"	91,785.72	
Engine	43,863.22 x 4	"	175,452.88	
Other	17,174.72 x 4	"	68,698.88	
General	6,912.88 x 1	"	6,912.88	
Hire of Equipment	3,394.34 x 1	"	3,394.34	
Total			604,269.49	or 27.83%
Interstate Expenses			1,566,644.65	or 72.17%

$1,802,813.21, the total expenses, if divided on the above per cents, (28.83 and 72.17) would gice for State freight $501,722.92 and for Interstate $1,301,090.29.

9689 The cost per ton mile of State freight would be .015122 and of Interstate .00512, the state exceeding the Interstate by 155.78%.

If the portion of Transportation Expenses included in Station, Yard, Train and Engine Service was 100% more than the Traffic and General Expenses 25% less per ton mile on State than on Interstate freight, and all other expenses were the same per ton mile on the two classes, the cost of State freight would be arrived at as follows:

M. W. & S	$43,817.12 x 1	equals	$43,817.12
M. E.	54,212.08 x 1	"	54,212.08
Traffic	5,465.11 less 25%	=	4,098.83
Transportation:			
Station	21,673.87 x 2	=	43,347.74
Yard	16,958.75 x 2	=	33,917.50
Train	22,696.43 x 2	=	45,392.86
Engine	43,863.22 x 2	=	87,726.44
Other	17,174.72 x 1	=	17,174.72
General	6,912.88 less 25%	=	5,184.66
Hire of Equipment	3,394.34 x 1	=	3,394.34
Total			338,266.29 or 17.76%
Interstate Expenses			1,566,644.65 or 82.74%

$1,802,813.21, the total expenses, if divided on the above per cents (17.76 and 82.24) would give for State freight $320,179.63, and for Interstate $1,482,633.58. The cost per ton mile of State freight would be .009650 and of Interstate .006737, the State exceeding the Interstate by 43.22%.

If the portion of Transportation Expenses included in Station and Yard Service was 100% more, and in Train and Engine

9690 Service 50% more, and if the traffic and General Expenses were 25% less per ton mile on State freight than on Interstate and all other expenses were the same per ton mile, the cost of State freight would be arrived at as follows:

M. W. & S.	$43,817.12 x 1	=	$43,817.12
M. E.	54,212.08 x 1	=	54,212.08
Traffic	5,465.11 less 25%	=	4,098.83
Transportation:			
Station	21,673.87 x 2	=	43,347.74
Yard	16,958.75 x 2	=	33,917.50
Train	22,696.43 x 1½	=	34,044.64
Engine	43,863.22 x 1½	=	65,794.83
Other	17,174.72 x 1	=	17,174.72
General	6,912.88 less 25%	=	5,184.66
Hire of Equipment	3,394.34 x 1	=	3,394.34
Total			304,986.46 or 16.29%
Interstate Expenses			1,566,644.65 or 83.71%

$1,802,813.21, the total expenses, if divided on the above per cents (16.29 and 83.71) would give for State freight $293,678.27 and for Interstate $1,509,134.94. The cost per ton-mile of State freight would be .008852 and of Interstate .006858, the State exceeding the Interstate by 29.07%.

If the portion of Transportation Expenses included in Station and Yard Service was 100% more, and in Train and Engine 25% more; and if the traffic and General Expenses were 25% less per ton-mile on State than on Interstate freight, and all other expenses were the same per ton-mile, the cost of State freight would be arrived at as follows:

9691

M. W. & S.	$43,817.12 x 1	=	$43,817.12
M. E.	54,212.08 x 1	=	54,212.08
Traffic	5,465.11 less 25%	=	4,098.83
Transportation:			
Station	21,673.87 x 2	=	43,347.74
Yard	16,958.75 x 2	=	33,917.50
Train	22,696.43 x 1¼	=	28,370.54
Engine	43,863.22 x 1¼	=	54,829.02
Other	17,174.72 x 1	=	17,174.72
General	6,912.88 less 25%	=	5,184.66
Hire of Equipment	3,394.34 x 1	=	3,394.34
Total			$288,346.55 or 15.55%
Interstate Expenses			1,566,644.65 or 84.45%

$1,802,813.21, the total expenses, if divided on the above per cents (15.65 and 84.45) would give for State freight $280,337.45 and for Interstate $1,522,475.76.

The cost per ton-mile of State freight would be .008450 and of Interstate, .006918 the state exceeding the Interstate *be* 22.15%.

NOTE 1.—The above calculations are based on the ton mile figures shown in Exhibit 2, namely:

State	33,177,919 or 13.1%
Interstate	220,064,905 or 86.9%

9692 COMPL. EX. 67.

St. Louis & San Francisco Railroad Company.

Passenger Earnings and Expenses, State and Interstate, Including Mail, Express, and Miscellaneous, for State of Missouri, Three Months to September 30th, 1907.

Passenger Earnings		$1,161,891.47
Operating Expenses, Taxes and Rentals		1,004,871.41
		$157,020.06
Deduct actual interest on revenue basis which is 28.95% of all interest charges ($819,021.42) or		$237,103.70
Deficit		$80,086.64
If 6% on three times the State Board's assessment, (61,238,414.70) for three months (Passenger proportion being 28.95%) were deducted in place of the actual interest, or		$265,927.82
The Deficit would be		$108,907.76

9693 EX. 68.

St. Louis and San Francisco Railroad Company.

State Freight Revenue and Expenses, State of Missouri, Three Months to September 30th, 1907, Expenses Being Apportioned to State Business in Straight Revenue Basis.

Freight Earnings		$577,192.84
Operating Expenses		$359,645.02
Net Earnings		$217,547.82
Taxes	$9,969.06	
Interest	117,775.28	
Rentals	12,791.23	
Total Charges		$140,535.57
Balance		$77,012.25
If the extra cost of doing state business were ascertained on ton mile basis, then		
At 50% more, as per schedule "A" attached, there would be an additional expense of $92,856.01, which, taken from the balance as above would leave a deficit of		$15,843.76

At twice more, as per schedule "A" attached there would be an additional expense of $175,104.87, which, taken from the balance as above, would leave a deficit of $98,092.62

At three times more, as per schedule "A" attached, there would be an additional expense of $313,693.33, which, taken from the balance as above would leave a deficit of $236,681.08

9694 SCHEDULE "A."

St. Louis & San Francisco Railroad Company.

Extra Cost of Doing State Freight Business Over Interstate, Ascertained upon the Ton Mile Basis.

Upon a Basis of 50% More.

Interstate ..... 86.90% x 1 = 86.90 = $\frac{86.90}{106.55}$ = 81.56%

= 5.34 —

State ..... 13.10% x 1.50 = $\frac{19.65}{106.55}$ = $\frac{19.65}{106.55}$ = 18.44%

= 5.34 plus.

The total of all freight operating expenses was $1,776,902.28, of which amount, freight—exclusive of miscellaneous, was on the revenue basis 97.86%, or $1,738,876.57. Of the latter amount, the extra cost is 5.34% ascertained as above, or $92,856.01.

Upon the basis of three times as much:

Interstate ..... 86.90 x 1 = 86.90 = $\frac{86.90}{113.10}$ = 76.83%

= 10.07% —

State ..... 13.10 x 2 = 26.20 = $\frac{26.20}{113.10}$ = 23.17%

= 10.07% plus.

10.07% of freight operating expenses, $1,738,876.57 equals $175,104.87.

Upon the basis of three times as much:

Interstate ..... 86.90 x 1 = 86.90 = $\frac{86.90}{126.20}$ = 68.86%

= 18.04 —

State ..... $13.10 \times 3 = \frac{39.30}{126.20} = \frac{39.30}{126.20} = 31.14\%$

$= 18.04$ plus.

18.04% of freight operating expenses, $1,738,876.57 equals $313,693.33.

9695 Ex. 69.

St. Louis & San Francisco Railroad Company.

State Passenger Revenue and Expenses, State of Missouri, Three Months to September 30th, 1907, Expenses Being Apportioned to State Business on Straight Revenue Basis.

Passenger Earnings	$599,051.59
Operating Expenses	498,013.80
Net Earnings	$101,037.79
Taxes	$8,804.13
Interest	122,198.00
Rentals	11,293.78
Total Charges	$142,295.91
Deficit	$41,258.12

If the extra cost of doing state business were ascertained on passenger mile basis, then:

At 15% more, as per schedule "A" attached, there would be an additional expense of $26,709.11, which, added to deficit as above, would make a total deficit of	$67,967.23
At 25% more, as per schedule "A" attached, there would be an additional expense of $42,235.79, which, added to deficit as above, would make a total deficit of	$83,493.91
At 35% more, as per schedule "A" attached, there would be an additional expense of $56,233.94, which, added to deficit as above, would make a total deficit of	$97,492.06
At 50% more, as per schedule "A" attached, there would be an additional expense of $74,898.14, which, added to deficit as above, would make a total deficit of	$116,156.26

9696 SCHEDULE "A."

St. Louis & San Francisco Railroad Company.

Extra Cost of Doing State Passenger Business, Ascertained on Passenger Mile Basis.

At 15% Increase.

Interstate ..... $40.68 \times 1 = 40.68 = \frac{40.68}{108.90} = 37.38\%$

$= 3.32\% -$

State ..... $59.32 \times 1.15 = \frac{68.22}{108.90} = \frac{68.22}{108.90} = 62.64\%$

$= 3.32\%$ plus.

The total passenger operating expenses exclusive of mail, express and miscellaneous are, on the revenue basis, 83.29% of the total passenger operating expenses $965,891.78, or $804,491.27, of which 3.32% ascertained as above, is $26,709.11, which would represent the extra cost.

At 25% Increase.

Interstate ..... $40.68\% \times 1 = 40.68 = \frac{40.68}{114.83} = 35.43\%$

$= 5.25\% -$

State ..... $59.32\% \times 1.25 = \frac{74.15}{114.83} = \frac{74.15}{114.83} = 64.57\%$

$= 5.25\%$ plus.

5.25% of passenger operating expenses $804,491.27 equals $42,235.79.

At 35% Increase.

Interstate ..... $40.68\% \times 1 = 40.68 = \frac{40.68}{120.76} = 33.69\%$

$= 6.99\% -$

State ..... $59.32\% \times 1.35 = \frac{80.08}{120.76} = \frac{80.08}{120.76} = 66.31\%$

$= 6.99\%$ plus.

6.99% of passenger operating expenses, $804,491.27 equals $56,233.94.

At 50% Increase.

Interstate ..... 40.68% x 1 = 40.68 = $\frac{40.68}{129.66}$ = 31.37%

= 9.31% —

State ..... 59.32% x 1.50 = $\frac{88.98}{129.66}$ = $\frac{88.98}{129.66}$ = 68.63%

= 9.31% plus.

9.31% of passenger operating expenses, $804,491.27 equals $74,898.14.

9697 Ex. 70.

St. Louis and San Francisco Railroad Company.

State of Missouri, Three Months to September 30th, 1907.

Freight and Passenger.

In the preparation of complainant's statement, no division was made as between State and interstate business of Miscellaneous revenue and expenses. This simply to avoid any unnecessary controversy and to reach *at* the simplest possible way, the actual results as to those earnings which were strictly from the carriage of freight and passengers. Taking the different statements the result as to miscellaneous business can readily be ascertained, and the losses added so as to show the entire loss upon the whole state business.

(1) Miscellaneous Freight (Exhibit 2)	
(*a*) Earnings from miscellaneous freight were 2.14% of all freight, $2,852,099.25 and 1.51% of all earnings $4,013,990.72, or.....	$60,903.59
Less 2.14% of $1,889,354.32 all freight operating expenses, including taxes and rentals.....	$40,432.18
Leaving.....	$20,471.41

The above miscellaneous freight earnings and expenses apportioned to State and interstate traffic on the revenue basis will give the following as the State proportion:

State earnings are equal to 20.68% of $60,903.59 or..	$12,594.86
State operating expenses, including Taxes and Rentals equal to 20.68% of $40,432.18, or.....	8,361.37
Leaving.....	$4,233.49

Less such sum as represents the extra cost of doing State business, which is—

At 50% 7.43% of $38,025.71 all Miscl. frt. Oper. Expenses	$2,825.31
At Two times 13.59% of $38,025.71 all Miscl. Frt. Operating Expenses	$5,167.69
At three times 23.21% of $38,025.71 all Miscl. Freight Operating Expenses	$8,825.77

Of the interest charge $819,021.42, 1.51% is apportioned to Miscellaneous Freight, or $12,367.22. Of the latter amount 20.68% should be applied to—

State traffic, or	$2,557.54

Of the return upon valuation, 20.68% of the amount apportioned to Miscellaneous passenger, should be applied to State traffic. 6% Interest upon the State's valuation $61,238,414.70, is $918,576.22 for three months of which 1.51% or $13,870.50 is apportioned to Miscellaneous Freight and 20.68% of the latter amount should be applied to—

Miscellaneous State Freight Traffic, or	$2,868.42

9698

(*b*) All State Freight Combined—

Earnings from all State freight including miscellaneous were 20.68% of all freight, and 14.69% of all earnings, or	$589,787.70
Less 20.68% of $1,889,354.32 all freight operating expenses, including Taxes and Rentals	$390,718.47
Leaving	$199,069.23
Deduct diminution in freight earnings had there been charged the rates fixed by the act of 1907	$11,389.27
Leaving	$187,679.96

Deduct extra cost—

At 50% 7.43% of $1,776,902.28 all Frt. Oper. Expenses	$132,023.84
At Two times 13.59% of $1,776,902.28 all Frt. Oper. Exp.	$241,481.02
At Three times 23.21% of $1,776,902.28 all Frt. Oper. Exp	$412,419.02
Of the interest charge $819,021.42, there should be applied 14.69%, or	$120,314.25
Of the return upon value 14.69% should be applied. 6% interest upon three times the State Board's value, $61,236,414.70 is $918,576.22 for three months, of which 14.69% is	$134,938.85

9699

(2) Miscellaneous Passenger (Exhibit 2)

(a) Earnings from all passenger miscellaneous were 16.71% of all passenger earnings, or 4.84% of all earnings, or..... $194,152.45

Less 16.71% of $1,004,871.41 all passenger operating expenses, including Taxes and Rentals..... $167,914.01

Leaving..... $26,238.44

The above miscellaneous passenger earnings and expenses apportioned to State and interstate traffic on the revenue basis will give the following as the state proportion:

State earnings are equal to 61.90% of $194,152.45, or..... $120,180.36

State operating expenses, including Taxes and Rentals are equal to 61.90% of $167,914.01, or... $103,938.77

Leaving..... $16,241.59

Deduct extra cost—

At 15% deduct 3.24% of all Miscl. Passgr. Oper. Expenses $161,400.51, or..... $5,229.38

At 25% deduct 5.11% of all Miscl. Passenger Operating Expenses, $161,400.51, or..... $8,247.57

At 35% deduct 6.79% of all Miscl. Passenger Operating Expenses, $161,400.51, or..... $10,959.09

At 50% deduct 9.00% of all Miscl Passenger Operating Expenses, $161,400.51 or..... $14,526.04

Of the interest charge, $819,021.42, 4.84% is apportioned to Miscellaneous Passenger or $39,640.64. Of the latter amount, 61.90% should be applied to State traffic, or..... $24,537.56

Of the return upon value 61.90% of the amount apportioned to Miscellaneous Passenger should be applied to State traffic. 6% interest upon the State's valuation, $61,238,414.70 is $918,576.22 for three months of which 4.84% or $44,459.09 is apportioned to Miscl. Passenger, and 61.90% of the latter amount should be charged to Miscellaneous State Passenger Traffic, or..... $27,520.18

(b) All State Passenger Combined:

Earnings from all state passenger, including miscellaneous were 61.90% of all passenger earnings and 17.92% of all earnings, or..... $719,231.95

Less 61.90% of $1,004,871.41, all Passenger Operating expenses, including Taxes and Rentals.. $622,015.40

Leaving..... $97,216.55

Deduct extra cost—

At 15% 3.24% of $965,891.78 all Passgr. Oper. Exp	$31,294.89
At 25% 5.11% of $965,891.78 all Passgr. Oper. Exp	$49,357.07
At 35% 6.79% of $965,891.78 all Passgr. Oper. Exp	$65,584.05
At 50% 9.00% of $965,891.78 all Passgr. Oper. Exp	$86,930.26
Of the intercharge $819,021.42 there should be applied 17.92% of	$146,768.60
Of the return upon valuation 17.92% should be applied. 6% interest upon three times the State Board's value $61,238,414.70 is $918,576.22 for three months, of which 17.92% equals	$164,608.86

9700

9701 SCHEDULE "A."

Extra Cost of Doing State Freight Business over Interstate on Revenue Basis.

At 50% More.

Interstate ..... 79.32% x 1 = 79.32 = $\frac{79.32}{110.34}$ = 71.89%

= 7.43% —

State ..... 20.68% x 1.50 = $\frac{31.02}{110.34}$ = $\frac{31.02}{110.34}$ = 28.11%

= 7.43% plus.

At Twice More.

Inter-state ..... 79.32% x 1 = 79.32 = $\frac{79.32}{120.68}$ = 65.73%

= 13.59% —

State ..... 20.68% x 2 = $\frac{41.36}{120.68}$ = $\frac{41.36}{120.68}$ = 34.27%

= 13.59% plus.

At Three Times More.

Interstate ..... 79.32% x 1 = 79.32 = $\frac{79.32}{141.36}$ = 56.11%

= 28.21% —

State ..... 20.68% x 3 = 62.04 = 62.04 = 43.89%
141.36 141.36

= 23.21% plus.

9702 SCHEDULE "B."

Extra Cost of Doing State Passenger Business Over Interstate on Revenue Basis.

At 15% More.

Interstate ..... 38.10% x 1 = 38.10 = 38.10 = 34.86%
109.29

= 3.24% —

State ..... 61.90% x 1.15 = 71.19 = 71.19 = 65.14%
109.29 109.29

= 3.24% plus.

At 25% More.

Interstate ..... 38.10% x 1 = 38.10 = 38.10 = 32.99%
115.48

= 5.11% —

State ..... 61.90% x 1.25 = 77.38 = 77.38 = 67.01%
115.48 115.48

= 5.11% plus.

At 35% More.

Interstate ..... 38.10% x 1 = 38.10 = 38.10 = 31.31%
121.67

= 6.79% —

State ..... 61.90% x 1.35 = 83.57 = 83.57 = 68.69%
121.67 121.67

= 6.79% plus.

At 50% More.

Interstate ..... 38.10% x = 38.10 = 38.10 = 29.10%
130.95

= 9.00% —

State ..... 61.90% x 1.50 = 92.85 = 92.85 = 70.90%
130.95 130.95

= 9.00% plus.

9703 Ex. 71.

St. Louis and San Francisco Railroad Company.

State of Missouri, Six Months to December 31st, 1907.

Freight and Passenger.

In the preparation of complainant's statement, no division was made as between State and interstate business of Miscellaneous revenue and expenses. This simply to avoid any unnecessary controversy and to reach at the simplest possible way, the actual results as to those earnings which were strictly from the carriage of freight and passengers. Taking the different statements the result as to Miscellaneous business can readily be ascertained and the losses added so as to show the entire loss upon the whole business:

1. Miscellaneous Freight (Exhibit 57):

(A) Earnings from miscellaneous freight were 2.04% of all freight $5,286,759.83, and 1.44% of all earnings $7,503,071.06, or	$108,114.43
Less 2.04% of $3,615,355.94, all freight Operating expenses, including taxes and rentals	$73,753.26
Leaving	$34,361.17

The above miscellaneous freight earnings and Expenses apportioned to State and interstate traffic on the revenue basis will give the following as the State proportion:

State earnings are equal to 20.02% of $108,114.43, or	$21,644.51
State operating expenses, inc. Taxes and Rentals are equal to 20.02% of $73,916.61	$14,798.12
Leaving	$6,846.39

Less such sum as represents the extra cost of doing state business which is—

At 50% more 7.28% of $69,104.93 all Miscl. Frt. Oper. Exp. =	$5,030.84
At twice more 13.34% of $69,104.93 all Miscl. Frt. Oper. Exp. =	$9,218.59
At three times more 22.87% of $69,104.93, all Miscl. Frt. Operating Expenses =	$15,804.30
Of the interest charge, $1,632,252.83, 1.44% is apportioned to Miscellaneous Freight or $23,504.44. Of the latter amount 20.02% should be applied to State Traffic or	4,705.59
Of the return upon valuation, 20.02% of the amount apportioned to Miscl. Frt. should be applied to State Traffic. 6% interest upon the State's valuation $61,238,414.70, is $1,837,152.44 for 6 months of which 1.44% or $26,455.00 is apportioned to Miscl. Frt. and 20.02% of the latter amount should be charged to Misc. State Freight Traffic, or	$5,296.29

9704 (*b*) All State Freight Combined:

Earnings from all state freight, including miscellaneous were 20.02% of all freight and 14.11% of all earnings, or		$1,058,349.99
Less 20.02% of $3,615,355.94, all Freight operating expenses including taxes and rentals		$723,794.26
Leaving		$334,555.73
Deduct diminution in freight earnings, had there been charged the rates fixed by the act of 1907		$22,778.54
Leaving		$311,777.19
Deduct extra cost—		
At 50% more 7.28% of $3,387,496.39, all frt. oper. exp.		$246,609.73
At two times more 13.34% of $3,387,496.39, all Frt. Oper. Exp.		451,892.02
At three times more 22.87% of $3,387,496.39, all Freight Operating Expenses		$774,720.42
Of the interest charge, $1,632,252.83, there should be applied 14.11% or		$230,310.87
Of the return upon value, 14.11% should be applied. 6% interest upon three times the State Board's value, $61,238,414.70 is $1,837,152.44 for six months, of which 14.11% is		$259,222.09

9705 (2) Miscellaneous Passenger (Exhibit 57):

(*a*) Earnings from all passenger Miscellaneous were 18.84% of all passenger earnings, or 5.57% of all earnings, or		$417,523.94
Less 18.84% of $1,929,215.74, all passenger Operating Expenses, including Taxes and rentals		$363,464.25
Leaving		$54,059.69

The above miscellaneous passenger earnings and expenses, apportioned for State and interstate Traffic on the revenue basis, will give the following as the State proportion:

State earnings are equal to 59.58% of $417,523.94, or		$248,760.76
State operating expenses, inc. Taxes and Rentals, are equal to 59.58% of $363,464.25		216,552.00
Leaving		$32,208.76
Deduct extra cost—		
At 15% more, deduct 3.31% of all Miscl. Pass'g'r Oper. Exp., $348,416.93	=	$11,532.60
At 25% more, deduct 5.24% of all Miscl. Passenger Operating Expenses, $348,416.93	=	$18,257.05

At 35% more, deduct 6.97% of all Miscl. Passenger Operating Expenses, $348,416.93.....	=	$24,284.66
At 50% more, deduct 9.28% of all Miscl. Passenger Operating Expenses, $348,416.93.....	=	$32,333.09
Of the interest charge, $1,632,252.83, 5.57% is apportioned to Miscellaneous Passenger, or $90,916.48. Of the latter amount 59.58% should be applied to State Traffic, or.....		$54,168.04
Of the return upon value 59.58% of the amount apportioned to Miscellaneous Passenger should be applied to State traffic. 6% interest upon the state's valuation, $61,238,414.70 is $1,837,152.44 for six months, of which 5.57% or $102,329.39 is apportioned to Miscellaneous Passenger and 59.58% of the latter amount should be charged to Miscellaneous State Passenger Traffic, or.....		$60,967.85

(*b*) All State Passenger combined:

Earnings from all State passenger, including miscellaneous, were 59.58% of All passenger earnings and 17.60% of all earnings, or.....		$1,320,413.63
Less 59.58% of $1,929,215.74 all Passenger Operating Expenses, including Taxes and Rentals.....		$1,149,426.74
Leaving.....		$170,986.89
Deduct Extra cost—		
At 15% more 3.31% of $1,849,346.78 all Pass'g'r Oper. Exp.....	=	$61,213.38
At 25% more 5.24% of $1,849,346.78 all Pass'g'r Oper. Exp.....	=	$96,905.77
At 35% more 6.97% of $1,849,346.78 all Pass'g'r Oper. Exp.....	=	$128,899.47
At 50% more 9.28% of $1,849,346.78 all pass'g'r Oper. Exp.....	=	$171,619.38
Of the interest charge $1,632,252.83, there should be applied 17.60%, or.....		$287,276.50
Of the return upon valuation 17.60% should be applied. 6% upon three times the State Board's value $61,238,414.70 is $1,837,152.44 for six months of which 17.60% equals.....		$323,338.83

9706 SCHEDULE "A."

Extra Cost of Doing State Freight Business over Interstate on Revenue Basis.

At 50% More.

Interstate ..... 79.98% x 1 = 79.98 = $\frac{79.98}{110.01}$ = 72.70%

= 7.28% —

State ..... 20.02% x 1.50 = $\frac{30.03}{110.01}$ = $\frac{30.03}{110.01}$ = 27.30%

= 7.28% plus.

At Twice More.

Inter-state ..... 79.98% x 1 = 79.98 = $\frac{79.98}{120.02}$ = 66.64%

= 13.34% —

State ..... 20.02% x 2 = $\frac{40.04}{120.02}$ = $\frac{40.04}{120.02}$ = 33.36%

= 13.34% plus.

At Three Times More.

Inter-state ..... 79.98% x 1 = 79.98 = $\frac{79.98}{140.04}$ = 57.11%

= 22.87% —

State ..... 20.02% x 3 = $\frac{60.06}{140.04}$ = $\frac{60.06}{140.04}$ = 42.89%

= 22.87% plus.

9707 SCHEDULE "B."

Extra Cost of Doing State Passenger Business Over Interstate on Revenue Basis.

At 15% More.

Inter-state ..... 40.42% x 1 = 40.42 = $\frac{40.42}{108.94}$ = 37.00%

= 3.31% —

State ..... 59.58% x 1.15 = $\frac{68.52}{108.94}$ = $\frac{68.52}{108.94}$ = 62.89%

= 3.31% plus.

At 25% More.

Inter-state ..... 40.42% x 1 = 40.42 = $\frac{40.42}{114.89}$ = 35.18%

= 5.24% —

State ..... 59.58% x 1.25 = $\frac{74.47}{114.89}$ = $\frac{74.47}{114.89}$ = 64.82%

= 5.24% plus.

At 35% More.

Inter-state ..... 40.42% x 1 = 40.42 = $\frac{40.42}{120.85}$ = 33.45%

= 6.97% —

State ..... 59.58% x 1.35 = $\frac{80.43}{120.85}$ = $\frac{80.43}{120.85}$ = 66.55%

= 6.97% plus.

At 50% More.

Inter-state ..... 40.42% x 1 = 40.42 = $\frac{40.42}{129.79}$ = 31.14%

= 9.28% —

State ..... 59.58% x 1.50 = $\frac{89.37}{129.79}$ = $\frac{89.37}{129.79}$ = 68.86%

= 9.28% plus.

9708 **Ex. 72.**

St. Louis and San Francisco Railroad Company.

State of Missouri, Twelve Months to June 30th, 1908.

Passenger.

In the preparation of complainant's statement, no division was made as between state and interstate business of Miscellaneous revenue and expenses. This simply to avoid any unnecessary controversy and to reach *at* the simplest possible way the actual results as to those earnings which were strictly from the carriage of passengers. Taking the difference statements, the result as to Miscellaneous business can readily be ascertained and the losses added so as to show the entire loss upon the whole business.

Miscellaneous Passenger (Exhibit 58).

(A) Earnings from all passenger miscellaneous were 20.93% of all passrnger earnings, or 6.17% of all earnings, or		$842,312.37
Less 20.93% of $3,445,378.65 all passenger operating expenses, including taxes and rentals		$721,117.75
Leaving		$121,194.62
The above miscellaneous passenger earnings and expenses apportioned to State and interstate traffic on the revenue basis, will give the following as the State proportion:		
State earnings are equal to 57.38% of $842,312.37, or		$483,318.84
State operating expenses, inc., Taxes and Rentals are equal to 57.38% of $721,117.75, or		$413,777.36
Leaving		$69,541.48
Deduct Extra Cost:		
At 15% more, deduct 3.38% of all Miscl. Passgr. Operating Expenses, $687,125.37	=	$23,224.84
At 25% more, deduct 5.35% of all Miscl. Passger. Operating Expenses, $687,125.37	=	$36,761.21
At 35% more, deduct 7.13% of all Miscl. Passger. Operating Expenses, $687,125.37	=	$48,992.04
At 50% more, deduct 9.50% of all Miscl. Passger. Operating Expenses $687,125.37	=	$65,276.91
Of the interest charge $3,256,015.62, 6.17% is apportioned to Miscellaneous Passenger, or $200,896.16 of the latter amount, 57.38% should be applied to State traffic or		$115,274.22

Of the return upon value, 57.38% of the amount apportioned to Miscellaneous Passenger should be applied to State traffic. 6% interest upon the State's valuation, $61,238,414.70 is $3,674,304.88 for one year, of which 6.17% or $226,704.61, is apportioned to Miscellaneous Passenger, and 57.38% of the latter amount should be charged to Miscellaneous State Passenger Traffic, or.....	$130,083.11

9709 (B) All State Passenger Combined.

Earnings from all state passenger, including miscellaneous, were 57.38% of all passenger earnings and 16.92% of all earnings, or.....	$2,309,569.75
Less 57.38% of $3,445,378.65 all Passenger Operating Expenses, including Taxes and Rentals.....	$1,976,958.27
Leaving.....	$332,611.48
Deduct extra cost:	
At 15% more, 3.38% of $3,282,968.82, all Passenger Operating Expenses	= $110,964.35
At 25% more, 5.35% of $3,282,968.82, all Passenger Operating Expenses	= $175,638.83
At 35% more, 7.13% of $3,282,968.82, all Passenger Operating Expenses	= $234,075.68
At 50% more, 9.50% of $3,282,968.82, all Passenger Operating Expenses	= $311,882.94
Of the interest charge $4,256,015.62, there should be applied 16.92%, or	$550,917.84
Of the return upon valuation, 16.92% should be applied. 6% upon three times the State Board's valuation $61,238,414.70, is $3,674,304.88 for twelve months of which 16.92% equals.....	$621,692.39

9710 SCHEDULE "A."

Extra Cost of Doing State Passenger Business Over Interstate on Revenue Basis.

At 15% More.

Interstate ..... 42.62% x 1 = 42.62 = $\frac{42.62}{108.61}$ = 39.24%

= 3.38% —

State ..... 57.38% x 1.15 = $\frac{65.99}{108.61}$ = $\frac{65.99}{108.61}$ = 60.76%

= 3.38% plus.

At 25% More.

Interstate ..... 42.62% x 1 = 42.62 = $\frac{42.62}{114.35}$ = 37.27%

= 5.35% —

State ..... 57.38% x 1.25 = $\frac{71.73}{114.35}$ = $\frac{71.73}{114.35}$ = 62.73%

= 5.35% plus.

At 35% More.

Interstate ..... 42.62% x 1 = 42.62 = $\frac{42.62}{120.08}$ = 35.49%

= 7.13% —

State ..... 57.38% x 1.35 = $\frac{77.46}{}$ = $\frac{77.46}{120.08}$ = 64.51%

= 7.13% plus.

At 50% More.

Interstate ..... 42.62% x 1 = 42.62 = $\frac{42.62}{128.69}$ = 33.12%

= 9.50% —

State ..... 57.38% x 1.50 = $\frac{86.07}{128.69}$ = $\frac{86.07}{128.69}$ = 66.88%

= 9.50% plus.

The Chicago, Rock Island and Pacific Railway Company.

Statement Showing Passengers One Mile, Revenue and Average Receipts per Passenger per Mile for July, August, and September, 1906, 1907, and 1908.

	State.			Interstate.			Total.		
	Passengers one mile.	Revenue.	Average receipts per pass. per mile (cents).	Passengers one mile.	Revenue.	Average receipts per pass. per mile (cents).	Passengers one mile.	Revenue.	Average receipts per pass. per mile (cents).
July, 1906	1,353,026	$31,304.32	2.31	1,636,697	$31,346.89	1.92	2,989,723	$62,651.21	2.09
August, 1906	1,372.531	33,643.52	2.45	2,380,485	40,276.33	1.69	3,753,016	73,919.85	1.97
September, 1906	1,433,810	35,239.10	2.46	2,122,540	38,189.70	1.80	3,556,350	73,428.80	2.06
Total	4,159,367	$100,186.94	2.41	6,139,722	$109,812.92	1.79	10,299,089	$209,999.86	2.04
July, 1907	1,760,723	34,347.04	1.95	2,079,950	35,693.81	1.72	3,840,673	70,040.85	1.82
August, 1907	2,146,100	42,135.65	1.96	2,361,182	37,064.90	1.57	4,507,282	79,200.55	1.76
September, 1907	1,934,885	38,224.82	1.97	2,582,847	43,405.91	1.68	4,517,732	81,631.73	1.80
Total	5,841,708	$114,707.51	1.96	7,023,979	$116,165.62	1.65	12,865,687	$230,873.13	1.80
July, 1908	1,840,222	35,088.66	1.91	2,209,309	39,192.03	1.77	4,049,531	74,280.69	1.83
August, 1908	2,298,112	44,620.53	1.94	2,899,100	50,081.80	1.73	5,197,212	94,702.33	1.82
September, 1908	2,098,393	40,688.89	1.94	3,084,428	54,006 17	1.75	5,182,821	94,695.06	1.83
Total	6,236,727	$120,398.08	1.93	8,192,837	$143,280.00	1.74	14,429,564	$263,678.08	1.83

The increase of 1907 over 1906 in State traffic was very largely on the comparatively new line from St. Louis to Kansas City, formerly the St Louis, Kansas City and Colorado Railroad. Of such total increase of 1,682,341 in state passengers one mile and $14,520.57 in state revenue, the portion on the St. L. K. C. & C. R. R. was 1,070,527 in state passengers one mile and $13,846.43 in state revenue.

9712 Ex. 74.

Valuation of A., T. & S. F. System on Basis of Average Price of Securities for Year Ending June 30, 1908.

Bonds	$300,134,015.00	equals	62.48 %
Pr. Stock	99,639,089.92	"	20.74
Com. Stock	80,598,282.50	"	16.78
	480,371,387.42	"	100.00
Gross Ton-Miles-Freight	18,626,188.726	"	77.29 %
" " Passenger	5,474,341,068	"	22.71
	24,100,529,794	"	100.00
Missouri Proportion Freight	1,065,618,792	"	72.45 %
" " Passenger	405,183,899	"	27.55
	1,470,802,691	"	6.103 %

6.103% of valuation equals	22,217,065.75		
Freight Proportion 72.45% equals	21,167,763.59		
Passenger " 27.55%	8,049,302.16		
Interstate Freight	1,024,485,907	equals	96.14%
Intrastate "	41,132,885	"	3.86%
Missouri Freight Value	21,167,763.59		
Interstate proportion of value 96.14% equals	20,350,687.95		
Intrastate proportion of value 3.86% equals	817,075.64		
Investors' return should equal 6% on value	49,024.54		
Sinking Fund Improvement and Contingency Allowance 6%	49,024.54		
Total Required Net Earnings	98,049.08		

Result of Operation—State Freight.

Total State Freight and Misc. Earnings	246,095.00
" " " Expenses (Equal Basis)	152,670.00
Net Surplus	93,425.00
Total State Freight and Misc. Earnings	246,095.00
" " " " Expenses (100 % Basis)	286,877.00
Deficit	40,782.00

9713

Ex. 75.

A., T. & S. F. Ry.

Statement of Facts as to Missouri Traffic Six Months Ending Dec. 31, 1907.

Freight Revenue:

Interstate.....	$1,872,915	equals	(90.05%)		
Intrastate.....	141,133	"	(6.79)		
Miscellaneous	65,833	"	(3.16)	$2,079,881)	equals 75.20%

Passenger Revenue:

Interstate.....	355,318	equals	(51.81%)		
Intrastate.....	104,370	"	(15.22)		
Mail, Exp. & Misc.....	226,080	"	(32.97)	685,768	equals 24.80
				$2,765,649	equals 100.00%

Freight Expenses:

Operating Cost	1,363,504			
Taxes.....	26,966			
Rentals.....	24,630	.....	1,415,100	equals 70.83%

Passenger Expenses:

Operating Cost	577,096			
Taxes.....	8,918			
Rentals (Credit)	2,993	.....	583,021	equals 29.17%
			1,998,121	equals 100.00%

Interest Charges:

Entire Line year ending June 30, 1908.....	$12,579,302
Proportion accruing to Missouri Earnings Basis 5.626 ..	707,711
Proportion for 6 mos. on Earnings Basis 54.14%.....	383,155
Proportion assignable to Freight 75.20 equals.....	288,142
" " " Pass. 24.80 equals.....	95,023
	383,155

Application of Judge Vandevanter's Rule.

Intrastate Fgt. Rev.	141,133			
Add 100%.....	141,133			
		$282,266	equals	12.71 %
Interstate Fgt. Rev.	.....	1,872,915	equals	84.32
Miscel. " "	.....	65,833	"	2.97
		2,221,014	"	100.00 %

Total Fgt. Operating Expenses	$1,415,100	12.71%	equals	$179,859.21
Total Interest Charge to Fgt.	288,132	6.77%	"	19,564.16
				$199,423.37
Total Intra-state Fgt. Earnings				141,133.00
Net Loss on Intrastate Freight				$58,290.37

Intrastate Passenger Rev.	$104,370			
Add	15,655			
	$120,025	equals	17.11%	
Interstate Passenger Rev.	355,318	"	50.67	
Mail, Exp. & Misc. Rev.	226,080	"	32.22	
	701,423	"	100.00%	
Total Pass. Operating Expenses	$583,021	x 17.11	equals	$99,754.89
Total Interest charged to Pass.	95,023	x 15.22	"	14,462.50
				114,217.39
Intrastate Passenger Earnings				104,370.00
Net Loss on Intrastate Passenger				9,847.39

9714 Ex. 76.

#2989.

A., T. & S. F. Ry.
vs.
Herbert S. Hadley et al.

The revenue on state freight as shown by Exhibit 45 amounted to	$141,133.00
And on interstate freight	$1,872,915.00
The miscellaneous freight earnings (switching, demurrage, storage, etc.) amounting to $65,833.56, if divided on the basis of state and interstate freight revenue would add to the state earnings	$4,608.35
And to interstate earnings	$61,225.21

Making the total state earnings..... $145,741.35

And the total interstate earnings..... $1,934,140.21

The total freight expenses as shown in Exhibit — amounted to $1,415,100.15

Deducting Taxes, $26,966.45, rentals, $5,395.05, would leave $1,382,748.65

The figure for Rentals shown in the Company's statement is $24,630.20, or $19,235.15 more than that stated above, due to the fact that the Company charged hire of equipment, $19,235.15, to rental account. The deduction above of $5,395.05, Rentals, therefore leaves Hire of Equipment $19,235.15 charged to the operating expenses.

If the figure $1,382,748.65 be divided between state and interstate on the basis of ton miles, the charge to state business will be $60,011.29

And to interstate business $1,322,737.36

If the figure, $1,382,748.65, be divided between state and interstate on the basis of state freight costing 30% more per ton mile than the interstate, the amount to be charged against said business will be. $77,019.10

And against interstate business $1,305,729.55

If the figure, $1,382,748.65 be divided between state and interstate on the basis of state freight costing 50% more per ton mile than the interstate, the amount to be charged to state business would be.. $88,081.09

And to interstate business $1,294,667.56

9715 Summarizing the foregoing we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	$145,741.35	$1,934,140.21	$2,079,881.56
Expenses, (state costing same as interstate per ton mile)	60,011.29	1,322,737.36	1,382,748.65
Net Earnings.	$85,730.06	$611,402.85	$697,132.91

Earnings	$145,741.35	$1,934,140.21	$2,079,881.56
Expenses, (state costing 30% more than interstate per ton mile)	77,019.10	1,305,729.55	1,382,748.65
Net Earnings.	$68,722.25	$628,410.66	$697,132.91
Earnings	$145,741.35	$1,934,140.21	$2,079,881.56
Expenses, (state costing 50% more than interstate per mile)	88,081.09	1,294,667.56	1,382,748.65
Net Earnings.	$57,660.26	$639,472.65	$697,132.91
	1st basis.	2nd basis.	3rd basis.
The net earnings on state business on the various bases shown above were respectively	$85,730.06	$68,722.25	$57,660.26
From which we deduct taxes and rentals	1,404.49	1,404.49	1,404.49
Also diminution in revenue	13,885.87	13,885.87	13,885.87
Leaving balance applicable to value of property	$70,439.70	$53,431.89	$42,369.90

The assessed value of the property in Missouri, including franchise, was, for the year 1907.....	$5,030,404.00
Three times this figure, would be.....	$15,091,212.00
The state freight earnings shown above were 5.27% of the gross earnings on all business; and 5.27% of $15,091,212.00 is.....	$795,306.87
One-half of this amount (on which the balances applicable to value of property should be applied) would be	$397,653.44

$70,439.70, the balance applicable to value of property on the even cost basis, would be 17.71% of the value of $397,653.44.

$53,431.89, the balance applicable to value of property on the 130% basis (state costing 30%* more per ton mile than the inter-

state) would be 13.44% on the above value of $397,653.44.
9716 $42,369.90, the balance applicable to value of property on the 150% basis (state costing 50% more per ton mile than the interstate would be 10.65% on the above value of $397,653.44.

The ton miles used in the above connection are the figures shown in Exhibit # ——, namely:

State	8,157,683 or 4.34%
Interstate	179,789,856 or 95.66%

The revenue per ton mile on state freight averaged 1.730 cents or 66.03% more than the average per ton mile of 1.042 cents on interstate freight.

9717

Ex. 77.

2989.

A., T. & S. F. Ry.
vs.
Herbert S. Hadley et al.

The revenue on state freight as shown by Exhibit 45 amounted to	$141,133.00
And on interstate freight	$1,872,915.00
The miscellaneous freight earnings (switching, demurrage, storage, etc.) amounting to $65,833.56, if divided on the basis of state and interstate freight revenue would add to the state earnings	$4,608.35
And to the interstate earnings	$61,225.21
Making the total state earnings	$145,741.35
And the total interstate earnings	$1,934,140.21
The total freight expenses as shown in Exhibit — amounted to	$1,415,100.15
Deducting taxes, $26,966.45, rentals, $5,395.05, would leave	$1,382,748.65

The figure for Rentals shown in the Company's statement is $24,630.20, or $19,235.15, more than that stated above, due to the fact that the Company charged hire of equipment, $19,235.15, to rental account. The deduction above of $5,395.05, Rentals, therefore leaves Hire of Equipment $19,235.15 charged to the operating expenses.

If the figure- $1,382,748.65 be divided between state and interstate on the basis of ton miles, the charge to state business will be	$60,011.29
And the interstate business	$1,332,737.29
If the figure-, $1,382,748.65, be divided between state and interstate on the besis of state freight costing 30% more per ton mile than the interstate, the amount to be charged against said business will be.	$77,019.10
And against interstate business	$1,305,729.55
If the figure-, $1,382,748.65, be divided between state and interstate on the basis of state freight costing 50% more per ton mile than the interstate, the amount to be charged to state business would be	$88,081.09
And to interstate business	$1,294,667.56

9718 Summarizing the foregoing we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	$145,741.35	$1,934,140.21	$2,079,881.56
Expenses, (state costing same as interstate per ton mile)	60,011.29	1,322,737.36	1,382,748.65
Net Earnings.	$85,730.06	$611,402.85	$697,132.91
Earnings	$145,741.35	$1,934,140.21	$2,079,881.56
Expenses, (state costing 30% more than interstate per ton mile)	77,019.10	1,305,729.55	1,382,748.65
Net Earnings.	$68,722.25	$628,410.66	$697,132.91
Earnings	$145,741.35	$1,934,140.21	$2,079,881.56
Expenses, (state costing 50% more than interstate per mile)	88,081.09	1,294,667.56	1,382,748.65
Net Earnings.	$57,660.26	$639,472.65	$697,132.91

	1st basis.	2nd basis.	3rd basis.
The net earnings on state business on the various bases shown above were respectively	$85,730.06	$68,722.25	$57,660.26
From which we deduct taxes and rentals	1,404.49	1,404.49	1,404.49
Also diminution in revenue	13,885.87	13,885.87	13,885.87
Leaving balance applicable to value of property	$70,439.70	$53,431.89	$42,369.90

The assessed value of the property in Missouri, including franchise, was, for the year 1907..... $5,030,404.00

Three times this figure, would be..... $15,091,212.00

The state freight earnings shown above were 5.27% of the gross earnings on all business; and 5.27% of $15,091,212.00 is..... $795,306.87

One-half of this amount (on which the balances applicable to value of property should be applied) would be $397,653.44

$70,439.70, the balance applicable to value of property on the even cost basis, would be 17.71% of the value of $397,653.44.

$53,431.89, the balance applicable to value of property on the 130% basis (state costing 30% more per ton mile than the interstate) would be 13.44% on the above value of $397,653.44.

9719 $42,369.90, the balance applicable to value of property on the 150% basis (state costing 50% more per ton mile than the interstate would be 10.65% on the above value of $397,653.44.

The ton miles used in the above calculation are the figures shown in Exhibit # ——, namely:

State	8,157,683 or 4.34%
Interstate	179,789,856 or 95.66%

The revenue per ton mile on state freight averaged 1.730 cents or 66.03% more than the average per ton mile of 1.042 cents on interstate freight.

9720 EXHIBIT 78.

Statement of the Chicago, Rock Island and Pacific Railway Company as to Missouri Earnings and Expenses for July, 1907, to September, 1907, Inclusive.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the company for the months of July, 1907, to September, 1907. This statement shows; (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states according to the formula herewith presented as exhibit 2; (*c*) the more difficult matter, i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(2) Earnings.

	Interstate.	State.	Total.
Freight	$665,228.16	$150,953.68	$816,181.84
Miscellaneous (undivided as between state and interstate)	.....	.....	21,815.70
Total Freight	.....	.....	837,997.54
Passenger	113,524.21	114,853.04	228,377.25
Mail, Express and Miscellaneous (undivided as between state and interstate)	.....	.....	44,980.08
Total Passenger	.....	.....	$273,357.33

Inasmuch as differences might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

9721 (3) Expenses (undivided as Between State and Interstate).

	Freight.	Passenger.
Maintenance of Way and Structures	$137,508.80	$111,451.40
Maintenance of Equipment	113,757.08	48,245.11
Traffic	14,817.13	13,470.90
Transportation	338,959 51	134,911.49
General	13,058.06	10,618.96
Total Operating Expenses	$618.100.58	$318,697.86
Taxes	$15,823.58	$4,426.65
Rentals	58,404.08	16,588.79
Hire of Equipment	1,099.15	*1,064.24
Total Expenses, Taxes, Rentals and H. of E	$693,427.16	$338,649.06

(4) Percentages (the Percentages Ascertained from above Figures).

Character.	Amount.	Per cent of freight earnings.	Per cent of all earnings.
Interstate freight	$665,228.16	79.38	59.86
State freight	150,953.68	18.02	13.58
Miscellaneous freight	21,815.70	2.60	1.96
	$837,997.54	100.00	
		Per cent of passenger earnings.	
Interstate Passenger	$113,524.21	41.53	10.22
State Passenger	114,853.04	42.02	10.33
Mail, Express and Miscellaneous	44,980.08	16.45	4.05
	$273,357.33	100.00	100.00
Total	$1,111,354.87		

(5) State Freight Expense.

The total freight operating expenses (undivided as between state and interstate business) including taxes and rentals, but exclusive of interest, are $693,427.16 of which interstate freight is 79.38%, or $550,442.48 and state freight is 18.02%, or $124,955.58.

* Red ink denotes credit balance.

9722 (6) Summary.

(*a*) The State freight earnings as above shown are.....	$150,953.68
from which should be deducted operating expenses as aforesaid	124,955.58
Leaving	$25,998.10
(*b*) From this there should be deducted the diminution in State freight earnings which would have existed had there been charged the rates fixed by the Maximum freight act of 1907, which, as shown by Exhibit 3, hereto attached are.....	9,989.43
Leaving	$16,008.67

(*c*) From this should be deducted such a sum as the court may find would represent the extra cost of doing State business. If this cost were 50% more, this would be 6.77% of all freight expenses, $618,100.58, (excluding Taxes, Rentals and Hire of Equipment, against which no extra cost should be charged), or $41,845.41; if twice as much 12.52% of all freight expense, $618,100.58 or $77,386.19; if three times as much, 21.72% of all freight expenses, $618,100.58, or $134,251.44, all as shown by Exhibit 4 hereto attached.

(*d*) From this sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to State freight. This upon the revenue basis is 13.58%. This percentage of all interest for three months, $183,409.61,=$24,907.02, leaving a deficit of $——.

(*e*) From this sum should also be deducted a sum equalling 6% annual interest upon 13.58% of the actual value of the road, if found by the court, over and above the bonded indebtedness—in other words, the equity in the property, or $——, this would leave $——. This latter sum will represent the actual loss upon the State freight business.

9723 (*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return, should be ascertained regardless of the bonded indebtedness and outstanding stock, then there must be ascertained the value of the entire property in the State, and the further sum to be deducted would be 6% annual interest upon 13.58% of the entire value of the property, $——, or $——.

(*g*) This value may become unnecessary to determine, as a deficit may appear from the State's own valuation. The assessment of the State board for 1907 was $13,403.68 per mile, or $6,909,328.45 for the State, at one-third of actual value. So the State by action of its taxing board has practically conceded the total valuation of $20,727,985.35, 6% annual interest upon 13.58% of which value is $168,891.62. So this the company would be entitled to

If, however, the court should find the actual value to be in excess of the State board's valuation, then there should be added 6% annual interest upon 13.58% of this additional value as found, or $——.

9724 7. Passenger Earnings and Expenses.

(e) The state passenger earnings, including mail, express and miscellaneous, as herein shown, are $159,833.12, and exclusive thereof, $114,853.04, while the expenses, including Taxes, Rentals and Hire of Equipment, undivided as between state and interstate, are $338,649.06. Interstate exclusive passenger expenses are 41.53% of all, or $140,640.95; state expenses 42.02%, or $142,300.33.

(*b*) The state passenger earnings as already shown are $114,853.04 from which there should be deducted, for expenses, exclusive of interest, $142,300.33.

(*c*) Upon this basis it appears that there is a loss upon the state passenger business, without regard to the question of any return upon the investment, or extra cost of doing the state business.

(*d*) If, however, the passenger per mile basis be used, then this is the result; the number of passengers carried one mile as shown by Exhibit 7 was; State 5,865,914, or 44.28%; interstate 7,381,578, or 55.72% of all. The passenger expenses, exclusive of Taxes, Rentals and Hire of Equipment undivided as between state and interstate, were $318,697.86, from which should be deducted the expense of doing miscellaneous, 16.45% or $52,425.80, leaving $266,272.06; this amount, divided upon a passenger mile basis, 44.28% or $117,905.26, to which should be added 42.02% of Taxes, Rentals and Hire of Equipment, $19,951.20, or $8,383.49, would make $126,288.75, representing state passenger expenses, and 55.72% thereof, or $148,366.80, plus 41.53% of Taxes, etc., or $8,285.73, would make $156,653.53, the interstate.

(*e*) There should, however, be added to the deficit the extra cost of doing the state business ascertained in the same way as the extra cost of state freight. If this extra cost be apportioned upon a revenue basis, then, as shown by Exhibit 8, if the extra cost be 15, 25, 35 or 50%, this would equal these percentages of $318,697.86, all passenger expenses (excluding Taxes, Rentals and Hire of Equipment
9725 against which no extra cost should be charged):

At 15% increased cost, 3.43%, or $10,931.33.
At 25% increased cost, 5.51%, or $17,560.25.
At 35% increased cost, 7.43%, or $23,679.25.
At 50% increased cost, 10.07%, or $32,092.87.

(*f*) There should also be added to the deficit such interest upon the bonded indebtedness upon that part of the road devoted to the state passenger business, or 10.33% (Upon a revenue basis) of the total interest, $183,409.61 = $18,946.21. To this deficit should be added a sum equalling 6% annual interest upon 10.33% of the actual value of the road as found by the court, over and above the bonded debt of the equity in the property. This latter sum will represent the actual loss upon the state passenger business.

(*g*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and

the further sum to be deducted would be 6% annual interest upon 10.33% of such entire value, or $——.

(*h*) This value may become unnecessary to determine as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the State Board of Equalization shows the rate to be confiscatory. The assessment for 1907 was $6,909,328.45, and this was, as will be conceded by the state, upon one-third of the value as determined by that body. This makes a valuation of $20,727,985.35. The company would be entitled to 6% annual interest upon 10.33% of such value, or $128,472.05.

(*i*) As having a direct bearing upon the question of value, there is attached hereto as Exhibit 10 a statement of the bond and stock issue of the company.

9726 EXHIBIT 2.

Formula Followed in the Division of Earnings and Expenses Between "Freight" and "Passenger" and Between States.

Earnings.

The operating revenues of the company are divided into nineteen accounts, as prescribed by the Interstate Commerce Commission. These revenues are shown in Exhibit 1, as follows:

(1) Freight Revenue.
(2) Passenger Revenue.
(3) to (19) Miscellaneous or all other Revenues.

The revenue from freight and passengers moving wholly within the state is credited to the state under "State" revenue. The revenue from freight and passengers moving partly in Missouri and partly *and partly* in another State, or states, is divided between the states through which the shipment or passenger moved upon a straight pro-rata per mile basis and the Missouri proportion credited to the state under "Interstate" revenue.

All classes of miscellaneous revenue which can be localized to the State of Missouri have been credited accordingly.

Miscellaneous revenue which can not be localized to the State of Missouri has been divided as follows:

Mail Revenue on a track mileage pro-rata for each mail route; all treated as miscellaneous passenger revenue.

Express Revenue on a basis of loaded express car miles; all treated as miscellaneous passenger revenue.

Other Passenger Train Revenue on a basis of revenue passenger train miles; all treated as miscellaneous passenger revenue.

Special Service Train Revenue on an actual mileage pro-rate; al-otted to miscellaneous "Freight" or "passenger" according to the class of service.

Miscellaneous Transportation Revenue localized as regards states al-otted to miscellaneous "Freight" or "Passenger", according to the class of service.

9727 Station and Train Privileges on basis of revenue passenger train miles; all treated as miscellaneous passenger revenue.

Rents of Buildings and Other Property localized as regards states, al-otted to miscellaneous "Freight" or "Passenger" revenue on basis of total freight and passenger revenue.

Miscellaneous, localized as regards states; al-otted to miscellaneous "Freight" or "Passenger" on basis of total freight and passenger revenue.

Operating Expenses.

Each item of operating expenses is assigned to "Freight" or "Passenger" direct, when possible; items that are common to both freight and passenger are divided on basis of total freight and passenger revenue train miles, except in the case of yard expenses a division is made on an arbitrary basis of time devoted to freight or passenger service at each point.

In the division between states, each item, of expense is localized when possible and when common to two or more states division is made on the following bases:

Maintenance of Way and Structures, on a track mileage pro-rate.

Maintenance of Equipment, on a basis of revenue train miles, or locomotive miles, or passenger car-miles, or freight car-miles, according to the item.

Traffic Expenses, on a basis of total revenue freight or passenger train miles, according to the item.

Transportation Expenses, on a basis of total revenue train miles, or locomotive miles, or freight train miles, or passenger train miles, according to the item.

General Expenses, on a basis of total revenue train miles.

Taxes.

Taxes are localized as to states and al-otted to "Freight" and "Passenger" on basis of total freight and passenger revenue.

9728 Rentals.

Rentals are localized as to states and also to "Freight" and "Passenger", when possible; when common to both freight and passenger division is made on basis of total freight and passenger revenue.

Hire of Equipment shows a debit balance and is localized as between "Freight" and "Passenger" and divided between states on the following bases:

Freight Cars, on revenue freight car-miles.

Passenger Cars, on revenue passenger car-miles.

Freight Locomotives, on revenue freight locomotives miles

Passenger Locomotives, on revenue passenger locomotives miles.

Work—Freight car miles.

9729 EXHIBIT 3.

The approximate diminution in freight earnings for the three months, July, 1907, to September, 1907, inclusive, would have been, if the Maximum Freight Law of 1907 had been followed.

This estimate does not take into consideration the diminution in

interstate freight earnings, which would have resulted, if the Maximum Freight Law of 1907 had been followed.

Gross State freight earnings at present rates on commodities affected by Maximum Freight law of 1907..	$60,639.75
Gross freight earnings on same commodities at rates proposed in Maximum Freight Law of 1907 would have been	50,650.32
Decrease in state freight earnings if proposed rate were applied	$9,989.43

9730 EXHIBIT 4.

(*a*) Upon the basis of the extra cost of freight state business being 50% more than interstate, the result would be:

Interstate ..... 79.38 x 1 = 79.38 = 79.38/109.01 = 72.82, difference—6.56.

State ..... 18.02 x 1½ = 27.03 = 27.03/109.01 = 24.79, difference—6.77.

Miscellaneous .. 2.60 x 1 = 2.60 = 2.60/109.01 = 2.39, difference—.21.

109.01

The extra cost then is 6.77% of all freight expenses, $618,100.58 or $41,845.41.

(*b*) Upon the basis of two times interstate:

Interstate ..... 79.38 x 1 = 79.38 = 79.38/118.02 = 67.26, difference—12.12.

State ..... 18.02 x 2 = 36.04 = 36.04/118.02 = 30.54, difference—12.52.

Miscellaneous .... 2.60 x 1 = 2.60 = 2.60/118.02 = 2.60, difference—.40.

118.02

The extra cost then is 12.52% of all freight expense $618,100.58 or $77,386.19.

(*c*) Upon the basis of three times interstate:

Interstate ..... 79.38 x 1 = 79.38 = 79.38/136.04 = 58.35, difference—21.03.

State ..... 18.02 x 3 = 54.06 = 54.06/136.04 = 39.74, difference—21.72.

Miscellaneous .... 2.60 x 1 = 2.60 = 2.60/136.04 = 1.91, difference—.69.

136.04

The extra cost then is 21.72% of all freight expenses $618,100.58 or $134,251.44.

9731 EXHIBIT 5.

Extra Cost of Doing State Freight Business Over Interstate, Ascertained upon the Ton Mile Basis.

The extra cost of doing state over interstate business, if ascertained upon a ton mile basis would, using the percentages of total ton mile instead of revenue, thus result.

Upon a basis of 50% more:

Interstate .... 92.39 x 1 = 92.39 = 92.39/103.80 = 89.01
— difference—3.38.
State ..... 7.61 x 1½ = 11.41 = 11.41/103.80 = 10.99,
103.80
difference—3.38.

The total of all freight expense was $618,100.58, of which amount freight—exclusive of miscellaneous was 97.40% of $602,029.96 of the latter amount the extra cost is 3.38% ascertained as aforesaid or $20,348.61.

Upon a basis of twice as much:

Interstate ..... 92.39 x 1 = 92.39 = 92.39/107.61 = 85.86,
difference—6.53.
State ..... 7.61 x 2 = 15.22 = 15.22/107.61 = 14.14,
107.61
difference—6.53.

The total of all freight expenses was $618,100.58 of which amount freight—exclusive of miscellaneous was 97.40% or $602,029.96. Of the latter amount the extra cost is 6.53% ascertained as aforesaid or $39,312.56.

Upon a basis of three times as much:

Interstate ..... 92.39 x 1 = 92.39 = 92.39/115.22 = 80.19,
difference—12.20.
State ..... 7.61 x 3 = 22.83 = 22.83/115.22 = 19.81,
115.22
difference—12.20.

The total of all freight expenses was $618,100.58 of which amount freight—exclusive of Miscellaneous was 97.40% or $602,029.96. Of the latter amount the extra cost is 12.20% ascertained as aforesaid or $73,447.65.

The ton mile basis should not however be adopted for the reasons given in Exhibit 55 in Missouri Pacific Case.

9732 EXHIBIT 6.

Freight Tonnage Statement.

	State.	Interstate.	Total.
Tons carried	95,734	552,971	648,705
Tons carried one mile	7,243,048	87,903,216	95,146,264
Tons carried one mile per mile of road	11,446	138,923	150,369
Average miles hauled per ton	76	159	147
Average revenue per ton per mile (freight only)	$0.0208	$0.0076	$0.0086

Percentages upon ton mile basis are thus ascertained. The total tons carried per mile are 95,146,264 of which 87,903,216 or 92.39% were interstate and 7,243,048 or 7.61% were State.

Upon a tonnage the ascertainment is thus made. The total tons carried in Missouri were 648,705 of which 552,971 or 85.24% were interstate and 95,734 or 14.76% were state.

9733 EXHIBIT 7.

Passenger Statement.

	State.	Interstate.	Total.
Passengers carried	169,031	58,628	227,659
Carried One Mile	5,865,914	7,381,578	13,247,492
Carried one mile per mile of road	9,270	11,666	20,936
Average miles hauled per passenger	34	126	38
Average revenue per passenger per mile exclusive of mail, express, etc.	$0.0196	$0.0154	$0.0172

Total passengers carried one mile were 13,247,942 of which 15,865,914, or 44.28% were state and 7,381,578 or 55.72% were interstate.

This shows the percentages upon passenger mile basis.

9734 EXHIBIT 8.

If extra cost of doing state passenger business be ascertained upon the revenue basis, then the result is:

If the extra cost be 15, 25, 35 or 50% upon a revenue basis it would be thus found:

(*a*) At 15%.

Interstate .... 41.53 x 1 = 41.53 = 41.53/106.30 = 39.07, difference—2.46.

State ..... 42.02 x 1.15 = 48.32 = 48.32/106.30 = 45.45, difference—3.43.

Miscellaneous.. 16.45 x 1 = 16.45 = 16.45/106.30 = 15.48,

106.30

difference—.97.

The extra cost is then 3.43% of $318,697.86, or $10,931.33.

(*b*) At 25%.

Interstate .... 41.53 x 1 = 41.53 = 41.53/110.50 = 37.58,
difference—3.95.
State ..... 42.02 x 1.25 = 52.52 = 52.52/110.50 = 47.53,
difference—5.51.
Miscellaneous.. 16.45 x 1 = 16.45 = 16.45/110.50 = 14.89,
110.50
difference—1.56.

The extra cost is then 5.51% of $318,697.86 or $17,560.25.

(*c*) At 35%.

Interstate .... 41.53 x 1 = 41.53 = 41.53/114.70 = 36.21,
difference, 5.32.
State ..... 42.02 x 1.35 = 56.72 = 56.72/114.70 = 49.45,
difference—7.43.
Miscellaneous.. 16.45 x 1 = 16.45 = 16.45/114.70 = 14.34,
114.70
difference—2.11.

The extra cost is then 7.43% of $318,697.86 or $23,697.25.

(*d*) At 50%.

Interstate ..... 41.53 x 1 = 41.53 = 41.53/121.01 = 34.32,
difference—7.21.
State ..... 42.02 x 1½ = 63.03 = 63.03/121.01 = 52.09,
difference—10.07.
Miscellaneous... 16.45 x 1 = 16.45 = 16.45/121.01 = 13.59,
121.01
difference—2.86.

The extra cost is then 10.07% of $318,697.86 or $32,092.87.

9735 EXHIBIT 9.

Extra Cost of Doing State Passenger Business, Ascertained upon Passenger Per Mile Basis.

The extra cost of doing state over interstate business ascertained upon the passenger per mile basis would upon the basis of the increase of 15, 25, 35 or 50% thus result:

Total passengers one mile were 13,247,492 of which 7,381,578 or 55.72% were interstate and 5,865,914, or 44.28% were state. These percentages were applied:

(*a*) At 15% Increase.

Interstate .... 55.72 x 1 = 55.72 = 55.72/106.64 = 52.25,
difference—3.47.
State ..... 44.28 x 1.15 = 50.92 = 50.92/106.64 = 47.75,
106.64
difference—3.47.

The total passenger expense exclusive of miscellaneous, is 83.55% of entire expense $318,697.86 or $266,272.06 of which 3.47% ascertained as aforesaid is $9,239.64 which would represent the extra cost.

(*b*) At 25% Increase.

Interstate .... 55.72 x 1 = 55.72 = 55.72/110.99 = 50.15,
difference—5.57.
State ..... 44.28 x 1.25 = 55.35 = 55.27/110.99 = 49.85,
111.07
difference—5.57.

The total passenger expense exclusive of miscellaneous is 83.55% of entire expense, $318,697.86 or $266,272.06 of which 5.57% ascertained as aforesaid is $14,831.35 which would represent the extra cost.

(*c*) At 35% Increase.

Interstate .... 55.72 x 1 = 55.72 = 55.72/115.50 = 48.24,
difference—7.48.
State ..... 44.28 x 1.35 = 59.78 = 59.78/115.50 = 51.76,
115.50
difference—7.48.

The total passenger expense exclusive of miscellaneous is 83.55% of entire expense $318,697.86 or $266,272.06 of which 7.48% ascertained as aforesaid is $19,917.15 which would represent the extra cost.

9736 (*d*) At 50% Increase.

Interstate ..... 55.72 x 1 = 55.72 = 55.72/122.14 = 45.62,
difference—10.10.
State ..... 44.28 x 1½ = 66.42 = 66.42/122.14 = 54.38,
122.14
difference—10.10.

The total passenger expense exclusive of miscellaneous is 83.55% of entire expense $318,697.86, or $266,272.06 of which 10.10% ascertained as aforesaid is $26,893.47 which would represent the extra cost.

9737 EXHIBIT 10.

Mileage, Bond and Stock Statement as of Date September 30th, 1907.

Total miles of railroad owned	5,212.43
Total miles of railroad operated	7,355.91
Total miles of railroad owned in Missouri	516.57
Total miles of railroad operated in Missouri	632.75
Total bond issue	$177,121,000.00
Total bond issue per mile owned	33,980.50
Total bond issue per mile operated	24,078.73
Bond issue for Missouri on mileage basis owned	17,553,306.89
Bond issue for Missouri on mileage basis operated	15,235,816.41
Total stock issue	75,000,000.00
Total stock issue per mile owned	14,388.68
Total stock issue for Missouri on miles owned basis	7,432,760.43

9738 Ex. 79.

The Chicago, Rock Island and Pacific Railway Company in Missouri.

Statement Showing Revenue Actually Received for Transportation of Carload Commodities Affected by the Maximum Freight Act of 1907, *Operatng Expenses Applicable Thereto, Other Deductions from Such Revenue and Final Results, Indicating that the Rates Named in Such Act are Non-compensatory for Three Months, viz., July, August, and September,* 1907.

Revenue actually received on said commodities being 7.24% of total revenue actually received on all freight traffic in Missouri for said three months	$60,639.75
Operating expenses, taxes, rentals and hire of equipment applicable to said revenue for said three months arrived at as follows:	
Total operating expenses, taxes, rentals and hire of equipment assigned to freight traffic $693,427.14. Proportion (7.24% based on revenue) assigned to commodities affected by maximum Freight Act of 1907	$50,204.13
Net revenue on said commodities for said three mo's	$10,435.62
Deduct the diminution on revenue if said act of 1907 had been in effect	$9,989.43
Leaving	$466.19
Deduct extra cost of transporting state freight traffic, assuming such extra cost to be 50%. Schedule 4 shows that 50% increased cost increases revenue percentage from 18.02% to 24.79%, an increase of 6.77% or 37.57%. 37.57% of 7.24% equals 2.72%. 2.72% of total operating expenses excluding taxes, rentals, etc., $618,100.58, equals	$16,812.34
Deficit	$16,366.15

Assessors' valuation of all C., R. I. & P. property in Missouri, as per schedule No. 1, $20,727,985.35.	
Revenue actually received on commodities affected by the maximum Freight Act of 1907, $60,639.75, which is 5.46% of the total revenue in Missouri for July, August and September, 1907. 5.46% of $20,727,985.35, equals proportion of valuation assignable to said commodities, or $1,131,748.00. The return on said proportion of valuation at 6% per annum for three months is	$16,976.22
Total deficit after charging a sufficient amount to return the legal rate of interest (6%) on the assessors' valuation, which deficit is 55.0% of total gross revenue on said commodities	$33,342.37

9739 EXHIBIT # 80.

2991.

C., R. I. & P. RY.

vs.

HERBERT S. HADLEY et al.

The revenue on state passengers as shown by Exhibit — amounted to	$114,853.04
And on interstate passengers	113,524.21
The miscellaneous passenger earnings (mail, express, extra baggage etc.) amounting to $44,980.08, if divided on the basis of state and interstate passenger revenue, would add to the state earnings	22,620.48
And to interstate earnings	22,359.60
Making the total state earnings	137,473.52
And total interstate earnings	135,883.81
The total passenger expenses as shown in Exhibit — amounted to	338,649.06
Deducting taxes, $4,426.65 and rentals, $16,588.79 would leave	317,633.62
If the figure, $317,633.62, be divided between state and interstate on the basis of passenger miles, the charge to state business will be	140,648.16
And to interstate business	176,985.46

If the figure, $317,633.62, be divided between state and interstate in the basis of state passengers costing 10% less per passenger mile than the interstate, the amount to be charged against state business will be.. 132,421.46

And against interstate business..... 185,212.16

9740 If the figure, $317,633.62, be divided between state and interstate on the basis of state passenger costing 20% less per passenger mile than interstate, the amount to be charged to state business would be..... 123,432.42

And to interstate business..... 194,201.20

Summarizing the foregoing figures we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	137,473.52	135,883.81	273,357.33
Expenses (state costing same as interstate per passenger mile)	140,648.16	176,985.46	317,633.62
Deficit.....	3,174.64	41,101.65	44,276.29
Earnings	137,473.52	135,883.81	273,357.33
Expenses, (state costing 10% less than interstate per passenger mile)....	132,421.46	185,212.16	317,633.62
Net earnings.....	5,052.06	.....	.....
Deficit.....	.....	49,328.35	44,276.29
Earnings	137,473.52	135,883.81	273,357.33
Expenses, (state costing 20% less than interstate per passenger mile)....	123,432.42	194,201.20	317,633.62
Net Earnings.....	14,041.10	.....	.....
Deficit.....	.....	58,317.39	44,276.29

9741

	1st basis.	2nd basis.	3rd basis.
The net earnings on state business, on the various bases shown above, were respectively	3,174.64#	5,052.06	14,041.10
Taxes and rentals above, deducted	9,305.63	9,305.63	9,305.63
Balance applicable to value of property	.....	.....	4,735.47
#Deficit	12,480.27	4,253.57	.....

The assessed value of the property in Missouri, including franchise, was for the year 1907	$6,367,502.53
Three times this figure would be	19,102,507.59
The state passenger earnings shown above were 12.36% of the gross earnings in the state on all business; and 12.36% of $19,102,507.59 is	2,361,069.94
One-fourth of this amount (on which the balances applicable to value of property should be applied) would be	590,267.49

$4,735.47, the balance applicable to value of property on the 80% basis (state costing 20% less per passenger mile than the interstate) would be 8/10 of 1 per cent on the above value of $590,267.49.

The passenger miles used in the above calculations are the figures shown in Exhibit —, namely:

State..... 5,865,914, or 44.28%
Interstate..... 7,381,578, or 55.72%

9742

EXHIBIT # 81.

2991.

C., R. I. & P. RY.
vs.
HERBERT S. HADLEY et al.

The revenue on state freight as shown by Exhibit — amounted to	$150,963.68
And on interstate freight	665,228.16

The miscellaneous freight earnings (switching, demurrage, storage, etc.) amounting to $21,815.70, if divided on the basis of state and interstate freight revenue would add to the state earnings..... 4,035.91

And to interstate earnings..... 17,779.79

Making the total state earnings..... 154,989.59

And the total interstate earnings..... 683,007.95

The total freight expenses as shown in Exhibit — amounted to 693,427.16

Deducting taxes, $15,823.35 and rentals, $58,404.08 would leave 619,199.73

If the figure, $619,199.73, be divided between state and interstate on the basis of ton miles, the charge to state business will be..... 43,773.10

And to interstate business..... 575,426.63

If the figure, $619,199.73, be divided between state and interstate on the basis of state freight costing 30% more per ton mile than the interstate, the amount to be charged against said business will be..... 59,876.61

And against interstate business..... 559,323.12

If the figure, $619,199.73, be divided between state and interstate on the basis of state freight costing
9743 50% more per ton mile than the interstate, the amount to be charged to state business would be 68,111.97

And to interstate business..... 551,087.76

Summarizing the foregoing we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	154,989.59	683,007.95	837,997.54
Expenses, (state costing same as interstate per ton mile)	43,773.10	575,426.63	619,199.73
Net earnings.....	111,216.49	107,581.32	218,797.81

Earnings	154,989.59	683,007.95	837,997.54
Expenses (state costing 30% more than interstate per ton mile)	59,876.61	559,323.12	619,199.73
Net Earnings	95,112.98	123,684.83	218,797.81
Earnings	154,989.59	683,007.95	837,997.54
Expenses (state costing 50% more than interstate per ton mile)	68,111.97	551,087.76	619,199.73
Net Earnings	86,877.62	131,920.19	218,797.81
	1st basis.	2nd basis.	3d basis.
The net earnings on state business, on the various bases shown above, were respectively	111,216.49	95,112.98	86,877.62
From which we deduct taxes and rentals	5,648.70	5,648.70	5,648.70
Also diminution in revenue	9,989.43	9,989.43	9,989.43
Leaving balance applicable to value of property	95,578.36	79,474.85	71,239.49

9744 The assessed value of the property in Missouri, including franchise, was, for the year 1907. $6,367,502.53

Three times this figure would be 19,102,507.59

The state freight earnings shown above were 13.95% of the gross earnings on all business; and 13.95% of $19,102,507.59, is 2,664,799.81

One fourth of this amount (on which the balances applicable to value of property should be applied) would be 666,199.95

$95,578.36, the balance applicable to value of property on the even cost basis, would be 14.34% of the value of $666,199.95.

$79,474.85, the balance applicable to value of property on the 130% basis (state costing 30% more per ton mile than the interstate) would be 11.93% on the above value od $666,199.95.

$71,239.49, the balance applicable to value of property on the 150% basis (state costing 50% more per ton mile than the interstate) would be 10.69% on the above value of $666,199.95.

The ton miles used in the above calculations are the figures shown in Exhibit # —, namely:

State	7,243,048 or 7.61%
Interstate	87,903,216 or 92.39%

The revenue per ton mile on state freight averages 2.084 cents or 175.66% more than the average per ton mile of .756 cents on interstate freight.

9745 Ex. 82.

K. C. Southern.

2993.

Frank Hagerman.

The Kansas City Southern Railway Company.

Statement of Missouri Earnings and Expenses January 1, 1908, *to June* 30, 1908.

(In connection with the Missouri Maximum Freight and Passenger Case.)

9746 EXHIBIT 1.

Statement of the Kansas City Southern Railway Company as to Missouri Earnings and Expenses for January to June, 1908, *Inclusive.*

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri Earnings and Operating Expenses of the Company for the months of January to June, 1908, inclusive. This statement shows (*a*) the receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states according to the formula herewith presented as Exhibit 2; (*c*) The more difficult matter i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(2) Earnings.

	Interstate.	State.	Total.
Freight	$702,249.91	$38,748.76	$740,998.67
Miscellaneous (undivided as between state and interstate)	.....	.....	144,046.62
Total freight			$885,045.29

Passenger	$89,504.58	$31,865.28	$121,369.86
Mail, Express and miscellaneous (undivided as between state and interstate)	.....	.....	39,973.54
Total Passenger			$161,343.40

Inasmuch as differences might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided as
9747 between state and interstate earnings.

(3) Expenses (Undivided as Between State and Interstate).

	Freight.	Passenger.	Total.
Maintenance of W. & S.	$80,174.51	$30,617.31	$110,791.82
Maint. Equipment	101,852.46	18,465.71	120,318.17
Traffic Expenses	27,310.23	7,701.88	35,012.11
Transportation Exp.	335,773.28	71,091.47	406,864.75
General Expenses	27,369.95	10,157.85	37,527.80
Total Operating Expenses	$572,480.43	$138,034.22	$710,514.65
Taxes	17,602.18	3,245.24	20,847.42
Rentals	4,729.52	492.13	5,221.65
Hire of Equipment	1,182.89	3,398.34	2,215.45
Total	$21,148.81	$7,135.71	$28,284.52
Grand Total	$593,629.24	$145,169.93	$738,799.17

(4) Percentages (the Percentages Ascertained from Above Figures).

Character.		Per cent. of freight earnings.	Per cent. of all earnings.	
Interstate freight	$702,249.91	79.35	67.11	
State freight	38,748.76	4.38	3.70	
Miscellaneous	144,046.62	16.27	13.77	
Total	$885,045.29	100.00	.....	84.58
		Per cent. of passenger earnings.		
Interstate passenger	$89,504.58	55.47	8.55	
State passenger	31,865.28	19.75	3.05	
Mail, express and Miscellaneous	39,973.54	24.78	3.82	
Total	$161,343.40	100.00	.....	15.42
Grand Total	$1,046,388.69	.....	.....	100.00

(5) State Freight Expense.

The total freight operating expenses (undivided as between state and interstate business) including taxes, rentals and hire of equipment, but exclusive of interest, are $593,629.24, of which upon a revenue basis, the Interstate freight is 77.35%, or $471,044.80 and State freight is 4.38%, or $26,000.96.

9748 (6) Summary.

(*a*) The state freight earnings as above shown are....	$38,748.76
From which should be deducted operating expenses as aforesaid	26,000.96
Leaving.....	$12,747.80
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which, as shown by Exhibit 3, hereto attached, is.....	$2,957.58
Leaving.....	$9,790.22

(*c*) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 2.05% of all freight expenses, (not including Taxes, Rentals and Hire of Equipment) $572,480.43 or $11,735.85; if twice as much 4.01% of all freight expenses (not including Taxes, Rentals, and Hire of equipment) $572,480.43, or $22,956.47; if three times as much, 7.70% of all freight expenses (not including Taxes, Rentals, and Hire of Equipment) $572,480.43 or $44,080.99, all as shown by Exhibit 4 hereto attached.

(*d*) From this sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is 3.70%. This percentage of all interest for six months, $143,-118.49, or $5,295.38, leaving a deficit of $—.

(*e*) From this sum should also be deducted a sum equalling 6% annual interest upon 3.70% of the actual value of the road, if found by the court, over and above the bonded indebtedness—in other words, the equity in the property, or $—. This would leave $—. This latter sum will represent the actual loss upon the state freight business.

9749 (*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return, should be ascertained regardless of the bonded indebtedness of the outstanding stock, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 3.70% of the entire value of the property $—, or $—.

(*g*) This value may become unnecessary to determine, as a deficit may appear from the state's own valuation. The assessment of the state board for 1908 was $15,358.18 per mile, or $2,679,694.80 for the state, at one-third of its actual value. So the state by action of its taxing board has practically conceded the total valuation of $8,039,084.40,—6% annual interest upon 3.70% of which value 148,723.06 is $8,923.38. So this the Company would be entitled to.

If, however, the court should find the actual value to be in excess of the state board's valuation, then there should be added 6% annual interest upon 3.70% of this additional value so found, or $—.

(7) Passenger Earnings and Expenses.

(*a*) The total passenger earnings, including mail, express and miscellaneous, as above shown, are $161,343.40, and the state passenger earnings, $31,865.28, while the expenses including taxes, rentals and hire of equipment, undivided as between state and interstate, are $145,169.93, of which, upon a revenue basis, the interstate passenger expenses are 55.47% of all, or $80,525.76; state expenses 19.75%, or $28,671.06.

(*b*) The state passenger earnings as already shown are..	$31,865.28
From which there should be deducted for expenses exclusive of interest	28,671.06
Leaving.....	$3,194.22

9750 (*c*) From this should be deducted the extra cost of doing the state passenger business ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis, then as shown by Exhibit 5, if the extra cost be 15, 25, 35, or 50%, this would equal these percentages of $138,034.22, all passenger expense; not including taxes, rentals and hire of equipment.

At 15% increased cost 2.31% or $3,188.59
At 25% increased cost 3.78% or $5,217.69
At 35% increased cost 5.19% or $7,163.98
At 50% increased cost 7.22% or $9,966.07

(*d*) There should also be added to the deficit, interest upon the bonded indebtedness upon that part of the road devoted to the state passenger business, or 3.05% (upon a revenue basis) of the total interest, $143,118.49, or $4,365.11. To this deficit should be added a sum equalling 6% annual interest upon 3.05% of the actual value of the road as found by the court, over and above the bonded debt or the equity in the property. This latter sum will represent the actual loss upon the state passenger business.

(*e*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state,

and the further sum to be deducted would be 6% annual interest upon 3.05% of such entire value, -122,596.03 or $—.

(*f*) This value may become unnecessary to determine as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the state Board of Equalization shows the rate to be confiscatory. The assessment for 1908 was $2,679,694.80 and this was as will be conceded by the state, upon one-third of the value as determined by that body. This makes a valuation of $8,039,084.40. The Company would be entitled to 6% annual interest upon 3.05% proportion of entire
9751 revenue of such value, or $7,355.76.

(*g*) As having a direct bearing upon the question of value, there is attached hereto as Exhibit 6 a statement of the bond and stock issue of the Company.

9752 EXHIBIT 2.

Formula for compiling statistics shown in the statement of The Kansas City Southern Railway Company, as to Earnings and Expenses in the State of Missouri for six months ending June 30th, 1908.

The operating revenues of the company are divided into nineteen accounts as prescribed by the Interstate Commerce Commission: The nineteen accounts are as follows:—

†1. Freight Revenue.
2. Passenger Revenue.
3. Excess Baggage Revenue.
4. Parlor & Chair Car Revenue.
5. Mail Revenue.
6. Express Revenue.
7. Milk Revenue (On Pass'gr Trains).
8. Other Passenger Train Revenue.
9. Switching Revenue.
10. Special Service Train Revenue.
11. Misc'l Transportation Revenue.
12. Station and Train Privileges.
13. Parcel-room Receipts.
14. Storage—Freight.
15. Storage—Baggage.
16. Car Service.
17. Telegraph Service.
18. Rents of Buildings & Other Property.
19. Miscellaneous.

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†No. 1. Freight Revenue.

2. Passenger Revenue. The revenue from freight and passengers moving wholly within the state is credited to the State under Intrastate revenue. The revenue from freight moving partly in Missouri and partly in another state or states, is divided between the States through which the shipment moved upon a straight pro-rata per mile basis. The same rule applies to the division of revenue from Passengers traveling partly in Missouri and partly in other States where the Maximum rate is two cents per mile. When the maximum passenger rate is any state is more than two cents per mile,

that State is allowed constructive mileage on interstate business, making the division of revenue on a pro-rata per rate basis.

All revenue accruing to Missouri from business moving partly in Missouri and partly in other states is credited to the State under inter-state revenue.

No. 3. Excess Baggage Revenue. The revenue from excess baggage is credited to the various states upon the basis of the actual mileage over which the baggage moves.

No. 4. Parlor & Chair Car Revenue. The revenue from Parlor and Chair Cars is credited to the various states upon the basis of the actual mileage of each train in each state.

No. 5. Mail Revenue. The transportation of mail is done under contract with the United States Government and the territory is divided into various "mail routrs" for which compensation is allowed at certain rates per pound-mile handled. In cases where the extra mail route is located entirely in one state, all of the revenue is credited to that State.

9753 When the mail route is through two or more states, the revenue is divided between States upon the basis of the actual mileage in each state.

No. 6. Express Revenue. The revenue from the handling of express is reported to us by the Express Company in total, the railroad company having no record of the details of business handled and the amount received from the express company is divided between States upon the basis of the gross freight earnings in each State.

No. 7. Milk Revenue (On passenger Trains). Basis similar to Account No. 4.

No. 8. Other Passenger Train Revenue. Basis similar to Account No. 4.

No. 9. Switching Revenue. The revenue earned from switching service is credited to the State in which the service is performed.

No. 10. Special Service Train Revenue. Basis similar to Account No. 4.

No.11. Miscellaneous Transportation Revenue. The revenue credited to this account is credited to the States in which the service is performed.

No. 12. Station and Train privileges. Revenue from station privileges credited to the State in which the station is located. Earnings from Train Privileges are divided between States upon the basis of the mileage of lines covered by the contracts. These earnings are derived from contracts made with News Companies for the privilege of selling papers, fruit, etc., at station and on trains.

No. 13. Parcel Room Receipts. Revenue from Parcel-room Receipts is credited to the State in which the station is located.

No. 14. Storage—Freight. Revenue from the storage of freight is credited to the State in which the service is performed.

No. 15. Storage—Baggage. Basis similar to Account No. 14.

No. 16. Car Service. Basis similar to Account No. 14.

No. 17. Telegraph Service. This Company has no revenue credited to this account.

No. 18. Rents of Buildings & Other Property. The revenue from rent of buildings and other property is credited to the State in which the property is located.

No. 19. Miscellaneous. The revenue credited to this account is as a rule derived from services of a local nature and credited to the State in which the service is performed.

Revenue Accounts Nos. 3, 4, 5, 6, 7, 8, 10, 13 and 15 are credited to the passenger service; Accounts Nos. 9, 14, and 16, are credited to the freight service and accounts Nos. 11, 12, 18, and 19 are divided between the passenger and freight service upon the basis of the actual freight and passenger earnings.

9754 Bases Used in Dividing Operating Expenses, Taxes, and Other Fixed Charges Between States and Between the Freight and Passenger Business.

Station Service. Station Service includes the wages of Station Employees, Station supplies, and Expenses and Telegraph and Telephone expense. This expense is practically all local and is charged to the state in which the expense is incurred. Wages of employees at and expenses of stations handling both freight and passenger business are divided 75% freight and 25% passenger, which is approximately the proportion of revenue of each class of business.

Yard Service. Yard Service includes the wages of all yardmen, yard enginemen and oil and fuel for yard locomotives and like the Station Service is localized. The total charge to Yard Service is divided 95% freight and 5% passenger. This is the proportion of yard engine mileage in each class of service.

Train Service. Train Service includes the wages of trainmen and Oil and Other train supplies. The wages of trainmen and cost of other train supplies are divided between States upon the basis of number of train miles in each state. The cost of oil is divided between States upon the basis of the car mileage and compiled separately, the mixed train expense being divided 75% freight and 25% passenger.

Engine Service. Engine service includes the wages of enginemen, fuel, water, and other supplies furnished locomotives and enginehouse expense. The wages of engine crews are divided between States upon the basis of number of locomotive miles in each state. Enginehouse expense is divided between states upon the basis of number of locomotive miles in each state. The cost of each class of engine service is ascertained and compiled separately, the mixed train expense being divided 75% freight and 25% passenger. Water and other supplies and enginehouse expense is divided between freight and passenger upon the basis of the number of train miles in each class of service.

Other Transportation Expense. Other expenses include Superintendence, Miscellaneous Labor and Supplies, Wrecks and Casualties. Salaries and expenses of division officers are divided between states upon the basis of the mileage of line under their supervision in each state. Miscellaneous Labor and Supplies which cannot be localized

are divided between States upon the basis of the mileage of the lines benefited. Wrecks and casualties are charged to the State in which the loss occurs. Items included in Other Expenses which are of a common nature are divided between freight and passenger upon the basis of the number of train miles in each class of service.

Maintenance of Way & Structures. This account includes all cost of repairs to and maintenance of roadway and track, bridges, trestles, culverts, fences, etc., also all material and supplies used in repairing same, and supervision. This expense is practically all localized and is charged to the State in which the expense is incurred. The total charge to Maintenance of Way and Structures is divided between freight and passenger upon the basis of the number of train miles in each class of service.

Maintenance of Equipment. This account includes all cost of repairs, renewals and depreciation of cars and locomotives, also shop machinery and tools. The cost of repairs, renewals and depreciation of equipment being of a general nature and not applicable to any particular State is divided between all states upon the basis of the mileage of each class of service, in each State. The cost of repairs to shop machinery and tools, stationery and printing is divided between States upon the basis of the engine miles in each state. The cost of supervision is divided between states on the basis of the number of train miles in each state. The cost of repairs to
9755 freight and passenger cars are compiled separately and all expense of a common nature is divided between freight and passenger upon the basis of the number of train miles in each class of service.

Traffic Expenses. Traffic expenses include salaries and expense of officers and employés directly in charge of traffic; General Commercial, district and other agents exclusively in soliciting traffic; advertising; Immigration Bureaus, etc., Salaries and Expenses of General Officers and Agents and all traffic expenses of a general nature are divided between States upon the basis of the gross earnings in each state. The expense of officers and employés having charge of both freight and passenger business, is divided between the freight and passenger service in proportion to the amount of work done for each.

General Expenses. General Expenses includes the salaries and expenses of General Officers, their clerks and attendents, general office supplies and expenses, law expenses, etc. This expense is divided between States upon the basis of the gross earnings in each state and between freight and passenger upon the basis of the number of train miles in each class of service.

Maintenance Fund-Balance. This account represents the difference between the estimated amount charged to Maintenance of Way & Structures account of cross ties and steel rails and the actual amount expended. It is charged to the State in which the expense is incurred and divided between freight and passenger upon the basis of the number of train miles in each class of service.

Casualties Fund-Balance. This account represents the difference between the estimated amount charged to Transportation expense ac-

count of Loss and Damage to Freight, Baggage Property and Stock and Injuries to Persons and the actual expense incurred. It is charged to the state in which the loss occurs and is divided between the freight and passenger service in accordance with the nature of the expense; Loss and Damage to Property, Stock and Injuries to persons Other than passengers being divided upon the basis of the number of train miles in each class of service.

Hire of Equipment. This account includes the amount of rentals, mileage or Per Diem paid for the use of equipment belonging to other companies, less the amount received from other companies for the use of our equipment. This item is divided between States upon the basis of the total mileage of each class of equipment in each state. The net rental paid for passenger equipment is charged to the passenger service. The net rental paid for freight equipment is charged to the freight service, and the net rental paid for hire of locomotives is divided between freight and passenger upon the basis of the number of train miles in each class of service.

Taxes. The total amount of taxes paid in each state is divided between freight and passenger upon the basis of the gross earnings of each class of service.

Rentals. This amount represents the net amount paid for the use of main tracks, side tracks and spurs belonging to other companies. It is charged or credited to the State in which the track is located and divided between the freight and passenger upon the basis of the gross earnings of each class of service.

Interest on Bonded Indebtedness. This account represents the proportion of the interest on the Bonded Indebtedness of the Kansas City Southern Railway Company properly chargeable to Missouri. This item is divided between freight and passenger upon the basis of the gross earnings of each class of service.

9756 EXHIBIT 3.

The approximate diminution in freight earnings for the six months, January to June, 1908, inclusive, would have been, if the maximum freight law of 1907 had been complied with, as follows:

Earnings from Intrastate freight, six months, ending June 30th, 1908	$38,748.76
Earnings on commodities affected by the Act of 1907	14,014.31
Revenue that would have been earned on the same commodities if rates authorized by the Act of 1907 had been in effect	11,056.73
Decrease in revenue for the six months ending June 30th, 1908	2,957.58
Percentage of decrease in commodities affected	21.10%
Percentage of decrease on total State Revenue	7.63%

This estimate does not take into consideration the diminution in interstate freight earnings, which would have resulted, if the Maximum Freight Law of 1907 had been followed. The physical location

of this road is such that the greater volume of traffic between points in Missouri must pass over its rails in Kansas, thereby making the same interstate traffic, and the greater part of this traffic would be affected by any change in the state rates, such as those contemplated in the Maximum Freight Law of 1907.

9757 EXHIBIT 4.

(*a*) Upon the basis of the extra cost of state freight business being 50% more than interstate, the result would be:

Interstate	79.35 x 1	— 79.35 —	$\frac{79.35}{102.19}$ —	77.65,
difference — 1.70.				
State	4.38 x 1½	— 6.57 —	$\frac{6.57}{102.19}$ —	6.43,
difference + 2.05.				
Miscellaneous	16.27 x 1	— 16.27 —	$\frac{16.27}{102.19}$ —	15.92,
difference — .35.				
	100.00	102.19		100.00

The extra cost then is 2.05% of all freight expense, (not including taxes, rentals and hire of equipment), $572,480.43, or $11,735.85.

(*b*) Upon the basis of two times more than interstate:

Interstate	79.35 x 1	— 79.35 —	$\frac{79.35}{104.38}$ —	76.02,
difference — 3.33.				
State	4.38 x 2	— 8.76 —	$\frac{8.76}{104.38}$ —	8.39,
difference + 4.01.				
Miscellaneous	16.27 x 1	— 16.27 —	$\frac{16.27}{104.38}$ —	15.59,
difference — .68.				
	100.00	104.38		100.00

The extra cost then is 4.01% of all freight expense, (not including taxes, rentals and hire of equipment), $572,480.43, or $22,956.47.

(c) Upon the basis of three times more than interstate:

Interstate ..... 79.35 x 1 — 79.35 — 79.35 / 108.76 — 72.96,

difference — 6.39.

State ..... 4.38 x 3 — 13.14 — 13.14 / 108.76 — 12.08,

difference + 7.70.

Miscellaneous ..... 16.27 x 1 — 16.27 — 16.27 / 108.76 — 14.96,

difference — 1.31.

100.00 108.76 100.00

The extra cost then is 7.70% of all freight expense, (not including taxes, rentals and hire of equipment), $572,480.43, or $44,080.99.

9758 EXHIBIT 5.

If the extra cost of doing state passenger business be ascertained upon the revenue basis, then the result is:

(a) at 15%.

Interstate ..... 55.47 x 1 — 55.47 — 55.47 / 102.96 — 53.87%,

difference — 1.60.

State ..... 19.75 x 1.15 — 22.71 — 22.71 / 102.96 — 22.06%,

difference + 2.31.

Miscellaneous .... 24.78 x 1 — 24.78 — 24.78 / 102.96 — 24.07%,

difference — .71.

100.00 102.96 100.00

The extra cost then is 2.31% of $138,034.22, or $3,188.59.

(b) at 25%.

Interstate ..... 55.47 x 1 — 55.47 — 55.47 / 104.94 — 52.86%,

difference — 2.61.

State ..... 19.75 x 1.25 — 24.69 — 24.69 — 23.53%,
104.94

difference + 3.78.

Miscellaneous .... 24.78 x 1 — 24.78 — 24.78 — 23.61%,
104.94

difference — 1.17.

100.00 104.94 100.00

The extra cost then is 3.78% of $138,034.22, or $5,217.69.

(c) at 35%.

Interstate ..... 55.47 x 1 — 55.47 — 55.47 — 51.88%,
106.91

difference — 3.59.

State ..... 19.75 x 1.35 — 26.66 — 26.66 — 24.94%,
106.91

difference + 5.19.

Miscellaneous .... 24.78 x 1 — 24.78 — 24.78 — 23.18%,
106.91

difference — 1.60.

100.00 106.91 100.00

The extra cost then is 5.19% of $138,034.22, or $7,163.98.

(d) At 50%.

Interstate ..... 55.47 x 1 — 55.47 — 55.47 — 50.48%,
109.88

difference — 4.99.

State .....19.75 x 1½ — 29.63 — 29.63 — 26.97%,
109.88

difference + 7.22.

Miscellaneous .... 24.78 x 1 — 24.78 — 24.78 — 22.55%,
109.88

difference — 2.23.

100.00 109.88 100.00

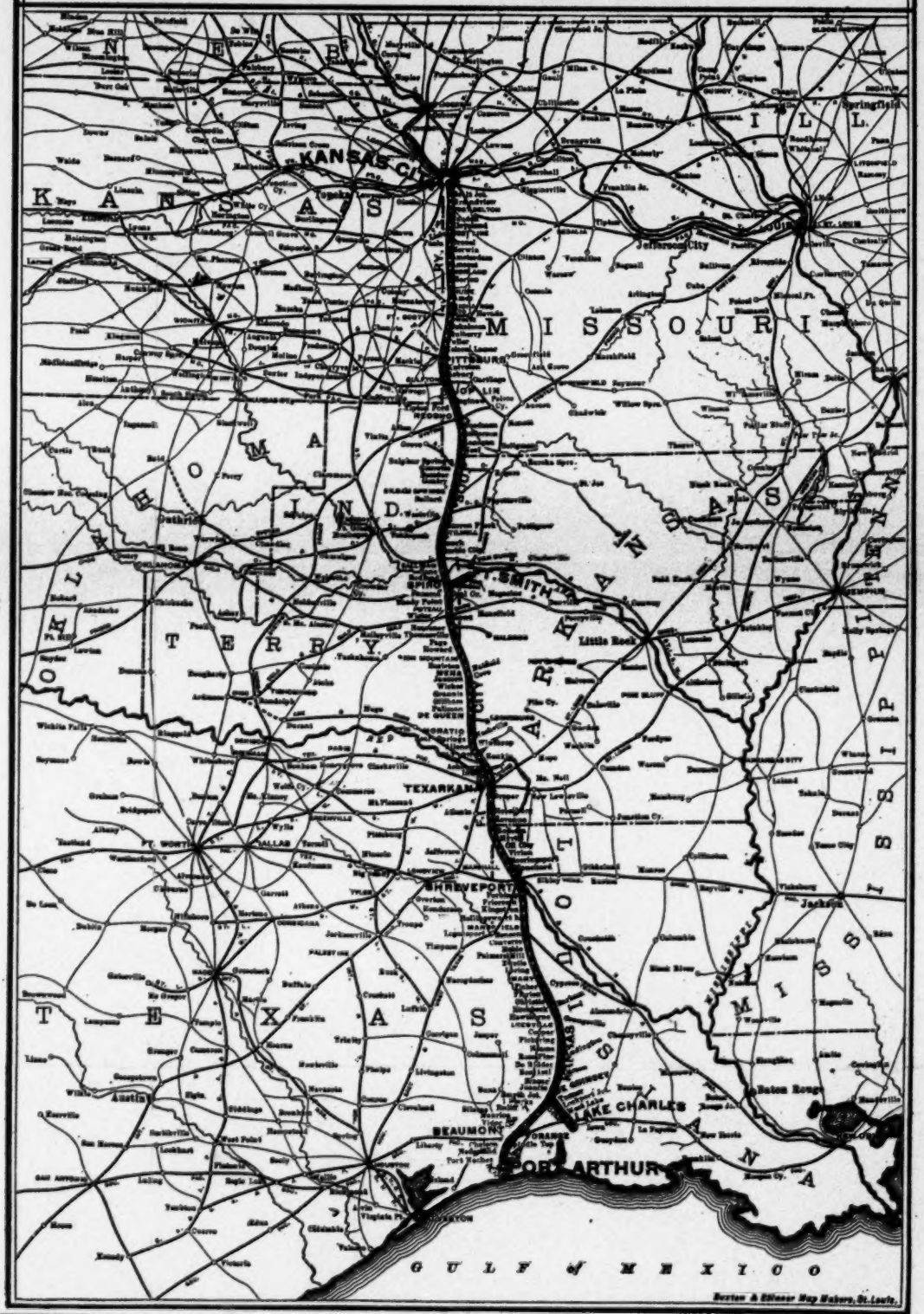
The extra cost then is 7.22% of $138,034.22, or $9,966.07.

MAP OF THE

KANSAS CITY SOUTHERN RAILWAY

AND

TEXARKANA & FORT SMITH RAILWAY.



9764

9759 EXHIBIT 6.

Mileage, Bond and Stock Statement.

The Kansas City Southern Railway Company owns the bonds and stock of the Texarkana and Fort Smith Railway Company and the Kansas City, Shreveport & Gulf Railway Company. Therefore, the total mileage of the railways on which the bonds of The Kansas City Southern Railway Company were issued and bottomed, is 1131.49 miles.

Total Miles of Railway	1,131.49
Total Miles in Missouri	263.41
Total Bond Issue	$34,276,500.00
Total issue per Mile	$30,293.24
Bond issue for Missouri on Mileage Basis	$7,979,542.78
Total Stock Issue	$48,159,825.00
Total Stock Issue per Mile	$42,563.19
Stock Issue for Missouri on a Mileage Basis	$11,211,570.14

9760 EXHIBIT 83.

The Kansas City Southern Railway Company.

Comparative Statement of Passengers Carried, Passengers Carried One Mile, and Average Rate Per Passenger Per Mile for Fiscal Years Ending June 30, 1908 *and* 1907.

	1907-8.	1906-7.
Number of passengers carried	1,557,058	1,509,935
Number of passengers carried 1 mile	56,851,140	56,436,653
Average rate per passenger per mile	.02315	.02377

State passenger miles for 6 months
1,638,254, receipts $31,865.28=1.94c. per pass. mile.
Interstate, 4,894,211, —$89,504.58=1.82c. " " "

State loss:

2.37
1.94

Loss.
.43 × 1,638,254=$7,044.49

Interstate loss:

2.377
1.820

.557 × 4,894,211=$27,260.75

(Here follows Map of Kansas City Southern Railway Co., marked p. 9761.)

9762 Ex. 85.

#2993.

KANSAS CITY SOUTHERN RAILWAY
vs.
HERBERT S. HADLEY ET AL.

The revenue on state passengers as shown by Exhibit 82 amounted to	$31,865.28
And on interstate passengers	89,504.58
The miscellaneous passenger earnings (mail, express, extra baggage, etc.) amounting to 39,973.54, if divided on the basis of state and interstate passenger revenue, would add to the state earnings	10,493.05
And to interstate earnings	29,480.49
Making the total state earnings	42,358.33
And total interstate earnings	118,985.07
The total passenger expenses as shown in Exhibit 82 amounted to	145,169.93
Deducting taxes, 3,245.24 and rentals, 492.13 would leave	141,432.56
If the figure, $141,432.56, be divided between state and interstate on the basis of passenger miles, the charge to state business will be	35,471.28
And to interstate business	105,961.28
If the figure, $141,432.56, be divided between state and interstate on the basis of state passengers costing 10% less per passenger mile than the interstate, the amount to be charged against state business will be	32,741.64
And against interstate business	108,690.92
9763 If the figure, $141,432.56, be divided between state and interstate on the basis of state passenger costing 20% less per passenger mile than interstate, the amount to be charged to state business would be	29,870.55
And to interstate business	111,562.01

Summarizing the foregoing figures we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	42,358.33	118,985.07	161,343.40
Expenses (state costing same as interstate per passenger mile)	35,471.28	105,961.28	141,432.56
Net earnings	6,887.05	13,023.79	19,910.84
Earnings	42,358.33	118,985.07	161,343.40
Expenses (state costing 10% less than interstate per passenger mile)	32,741.64	108,690.92	141,432.56
Net earnings	9,616.69	10,294.15	19,910.84
Earnings	42,358.33	118,985.07	161,343.40
Expenses (state costing 20% less than interstate per passenger mile)	29,870.55	111,562.01	141,432.56
Net earnings	12,487.78	7,423.06	19,910.84
	1st basis.	2nd basis.	3rd basis.
The net earnings on state business, on the various bases shown above were respectively	$6,887.05	$9,616.69	$12,487.78
Taxes and rentals above, deducted	937.32	937.32	937.32
Balance applicable to value of property	5,949.73	8,679.37	11,550.46

9764 The assessed value of the property in Missouri, including franchise, was, for the year 1908... $2,679,694.80

Three times this figure would be 8,039,084.40

The state passenger earnings shown above were 4.05 % of the gross earnings in the state on all business; and 4.05 % of $8,039,084.40 is 325,582.92

One-half of this amount (on which the balances applicable to value of property should be applied) would be 162,791.46

$5,949.73, the balance applicable to value of property on the even cost basis, would be 3.65 % on the above value of $162,791.46.

$8,679.27 the balance applicable to value of property on the 90% basis (state costing 10 % less per passenger mile than the interstate) would be 5.33% on the above value of $162.791.46.

$11,550.46, the balance applicable to value of property on the 80 % basis, (state costing 20 % less per passenger mile than the interstate would be 7.09 % on the above value of $162,791.46.

The passenger miles used in the above calculations are not shown in Exhibit # 82, but were obtained from the Company's records and are as follows:

State 1,638,254, or 25.08 %.

Interstate 4,894,211, or 74.92 %.

9765 Ex. 86.

2993.

KANSAS CITY SOUTHERN RAILWAY
vs.
HERBERT S. HADLEY ET AL.

The revenue on state freight as shown by Exhibit 82 amounted to	$38,748.76
And on interstate freight	702,249.91
The miscellaneous freight earnings (switching, demurrage, storage, etc.) amounting to $144,046.62, if divided on the basis of state and interstate freight revenue would add to the state earnings	7,533.64
And to interstate earnings	136,512.98
Making the total state earnings	46,282.40
And the total interstate earnings	838,762.89
The total freight expenses as shown in Exhibit 82 amounted to	593,629.24
Deducting taxes, $17,602.18 and rentals, $4,729.52, would leave	571,297.54
If the figure, $571,297.54, be divided between state and interstate on the basis of ton miles, the charge to state business will be	6,398.53
And to interstate business	564,899.01
If the figure, $571,297.54, be divided between state and interstate on the basis of state freight costing 30% more per ton mile than the interstate, the amount to be charged against said business will be	8,283.81
And against interstate business	563,013.73

9766 If the figure, $571,297.54, be divided between state and interstate on the basis of state freight costing 50% more per ton mile than the Interstate, the amount to be charged to state business would be..... 9,540.67

And to interstate business..... 561,756.87

Summarizing the foregoing, we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	46,282.40	838,762.89	885,045.29
Expenses, (state costing same as interstate per ton mile).....	6,398.53	564,899.01	571,297.54
Net Earnings.....	39,883.87	273,863.88	313,747.75
Earnings	46,282.40	838,762.89	885,045.29
Expenses, (state costing 30% more than interstate per ton mile).....	8,283.81	563,013.73	571,297.54
Net Earnings.....	37,998.59	275,749.16	313,747.75
Earnings	46,282.40	838,762.89	885,045.29
Expenses, (state costing 50% more than interstate per ton mile).....	9,540.67	561,756.87	571,297.54
Net Earnings.....	36,741.73	277,006.02	313,747.75

9767

	1st basis.	2nd basis.	3rd basis.
The net earnings on state business on the various bases shown above were respectively	39,883.87	37,998.59	36,741.73
From which we deduct taxes and rentals.....	250.11	250.11	250.11
Also diminution in revenue	2,957.58	2,957.58	2,957.58
Leaving balance applicable to value of property....	36,676.18	34,790.90	33,534.04

The assessed value of the property in Missouri, including franchise, was, for the year 1908.....	$2,679,694.80
Three times this figure, would be.....	8,039,084.40
The state freight earnings shown above were 4.42% of the gross earnings on all business; and 4.42% of $8,039,084.40 is.....	355,327.52
One-half of this amount (on which the balances applicable to value of property should be applied) would be	177,663.76

$36,676.18, the balance applicable to value of property on the even cost basis, would be 20.64% of the value of $177,663.76.

$34,790.90, the balance applicable to value of property on the 130% basis (state costing 30% more per ton mile than the interstate) would be 19.58% on the above value of $177,663.76.

9768 $33.534.04, the balance applicable to value of property on the 150% basis (state costing 50% more per ton mile than the Interstate) would be 18.87% on the above value of $177,663.76. The ton miles used in the above calculations are not shown in Exhibit # 82, but were obtained from the Company's records and are as follows:

State.....	1,166,485, or 1.12%
Interstate.....	102,665,456, or 98.88%

The revenue per ton per mile on state freight averaged 3.322 cents or 385.67% more than the average per ton mile of .684 cents on interstate freight.

9769 Ex. 87.

EXHIBIT 1.

Statement of the St. Louis & Hannibal Railway Company as to Missouri Earnings and Expenses for Year Ending June 30, 1908.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the company for the year ending June 30, 1908. This statement shows (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states according to the formula herewith presented as exhibit 2; (*c*) the more difficult matter i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(2) Earnings.

	Interstate.	State.	Total.
Freight	$51,735.05	87,941.99	.....
Miscellaneous (undivided as between state and interstate)	.....	.....	$3,044.11
Total freight	.....	.....	$142,722.15
Passenger	198.19	$52,667.38	.....
Mail, express and miscellaneous (undivided as between state and interstate)	.....	.....	14,619.99
Total passenger	.....	.....	$67,485.56

Inasmuch as differences might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid
9770 confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

(3) Expenses (Undivided as Between State and Interstate).

	Freight.	Passenger.
Maintenance of Way and Structures	$39,053.21	$24,165.26
Maintenance of Equipment	19,198.22	11,879.42
Traffic Expenses	1,592.28	530.78
Transportation Expenses	52,461.13	28,301.18
General Expenses	5,603.97	3,466.40
Total operating expenses	$117,908.81	$89,343.04
Taxes	5,994.07	2,273.61
Total expenses and taxes	$123,902.88	$70,616.65

(4) Percentages (the Percentages Ascertained from Above Figures).

Character.	Amount.	Per cent of freight earnings.	Per cent of all earnings.
Interstate freight	$51,735.05	36.25	24.61
State freight	87,941.99	61.62	41.84
Miscellaneous	3,044.11	2.13	1.45
	$142,721.15	100.	67.90

		Percent. of passenger earnings.	
Interstate passenger	$198.19	.29	.09
State Passenger	52,667.38	78.04	25.05
Mail, express and miscellaneous	14,619.99	21.67	6.96
	$67,485.56	100.	32.10
Total.....	$210,206.56		100.

(5) State Freight Expense.

The total freight operating expenses (undivided as between state and interstate business) including taxes, but exclusive of interest, are.....	$123,902.88
Of which interstate freight is 36.25%, or.....	44,914.79
And state freight is 61.62%, or.....	76,348.95

9771 (6) Summary.

(*a*) The state freight earnings as above shown are.....	$87,941.99
From which should be deducted operating expenses as aforesaid	76,348.95
Leaving.....	$11,593.04
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which are 17.2% of all state freight earnings.....	15,126.02
Leaving deficit	$3,522.98

(*c*) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 10.20% of all freight expenses $117,908.81 (excluding taxes against which no extra cost is charged) or $12,026.69; if twice as much, 18.38% of all freight expenses, $117,908.81, or $21,681.63; if three times as much, 20.29% of all freight expenses $117,908.81, or $23,923.69, all as shown by Exhibit 4 hereto attached.

(*d*) From the sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is 41.84%. This percentage of all interest for one year, $39,100. = $16,359.44, leaving a deficit of $—.

(*e*) From this sum should also be deducted a sum equalling 6% annual interest upon —% of the actual value of the road, if found by the court, over and above the bonded indebtedness—in other
9772 words, the equity in the property, or $—. This would leave $—. This latter sum will represent the actual loss upon the state freight business.

(*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return, should be ascertained regardless of the bonded indebtedness and outstanding stock, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon —% of the entire value of the property, $— or $—.

(*g*) This value may become unnecessary to determine, as a deficit may appear from the state's own valuation. The assessment of the state board for the 120.61 miles for 1907 was $571,503.51, at one-third of its actual value. So the state by action of its taxing board has practically conceded the total valuation of $1,714,510.13, 6% annual interest upon 41.84% of which value, $717,451.20, is $43,041.07. And this the Company would be entitled to.

If, however, the court should find the actual value to be in excess of the state board's valuation, then there should be added 6% annual interest upon —% of this additional value as found, or $—.

(7) Passenger Earnings and Expenses.

(*a*) The state passenger earnings, excluding mail, express and miscellaneous, as above shown, are $52667.38, while the expenses, including taxes, rentals and hire of equipment, undivided as between state and interstate, are $68343.04. State exclusive passenger expenses are 78.04% of all, or $53329.91.

9773 (*b*) The state passenger earnings as already shown are $52667.38, from which there should be deducted, for expenses, exclusive of interest $53329.91.

(*c*) Upon this basis it appears that there is a loss of $662.53 upon the state passenger business, without regard to the question of any interest or return upon the investment, or extra cost of doing the state business.

(*d*) There should, however, be added to the deficit the extra cost of doing the state business, ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis, then, as shown by Exhibit 8, if the extra cost be 15, 25, 35 or 50%, this would equal these percentages of $68343.04, all passenger expenses (excluding taxes, rentals and hire of equipment, against which no extra cost should be charged):

At 15% increased cost, 2.30%, or $1571.88,
At 25% increased cost, 3.58%, or $2444.68,
At 35% increased cost, 4.71%, or $3218.95,
At 50% increased cost, 6.08%, or $4153.25.

(*e*) There should also be added to the deficit such interest upon the bonded indebtedness upon that part of the road devoted to the state passenger business, or 25.05% (upon a revenue basis) of the total interest $39100 = 9794.50. To this deficit should be added a sum equalling 6% annual interest upon —% of the actual value of the road as found by the court over and above the bonded debt or the equity in the property. This latter sum will represent the actual loss upon the state passenger business.

9774 (*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return

should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon —% of such entire value, or $——.

(*g*) This value may become unnecessary to determine, as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the State Board of Equalization shows the rate to be confiscatory. The assessment for 1907 was $571503.51, and this was, as will be conceded by the state, upon one-third of the value as determined by that body. This makes a valuation of $1,714,510.53. The company would be entitled to 6% annual interest upon 25.05% of such value, $429484.88, or $25,769.09.

9775 EXHIBIT 88.

St. Louis & Hannibal Railway Company

(For Year ending June 30, 1908.)

Statement showing passengers carried one mile in Missouri, revenue derived therefrom; Revenue per passenger per mile; Same for year ending June 30, 1907; Loss.

(*a*)	Passengers carried one mile in Missouri of which 2,662,527 were state and 10,156 interstate.....		2,672,683
(*b*)	Revenue derived therefrom,		
	State	$52,667.38	
	Interstate	198.19	
	Total		$52,865.57
(*c*)	Revenue per passenger per mile		
	State	$.0198	
	Interstate	.0195	
	Average		$.0197
(*d*)	For the year ending June 30, 1907, the revenue per passenger per mile was		
	State	$.0338	
	Interstate	.0338	
	Average		$.0338
(*e*)	By the differences thus shown the rate per passenger mile for 1907 upon state passenger business was.....	.0338	
	And for 1908 was.....	.0198	
	Making a loss per passenger mile of.....	.014	

(*f*) Passengers carried one mile in Missouri for the year ending June 30, 1908, were 2,662,527, which, multiplied by the loss .014 = $37,275.38, which shows the additional sum which would have been received for state passengers had the old rates remained in force.

9776

Ex. 89.

2997. M. K. & T.

Frank Hagerman.

Schedule.

Statement of Missouri, Kansas & Texas Railway Company as to Missouri Earnings and Expenses for Months of July, August, October, November, and December, 1907, and January, 1908.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the Company for the months of July, August, October, November, and December, 1907, and January, 1908. This statement shows (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states according to the formula herewith presented as exhibit 2; (*c*) the more difficult matter, i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(1) Earnings.

	Interstate.	State.	Total.
Freight	1,333,455.26	277,416.52	1,610,871.78
Miscellaneous (undivided as between state and interstate)	.....	.....	20,603.37
Total, freight.	.....	.....	$1,631,475.15
Passenger	300,214.54	248,368.53	549,583.07
Mail, express and miscellaneous, (undivided as between state and interstate)	.....	.....	122,458.22
Total, passenger	.....	.....	$672,041.29

Inasmuch as the difference might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

(3) Expenses (Undivided as Between State and Interstate).

	Freight.	Passenger.
Maint. W. & S.	209,134.31	152,108.95
Maint. Equip.	212,916.84	81,994.85
Traffic Exp.	39,269.03	34,169.17
Transportation Exp.	511,732.05	222,206.25
General Expenses.	37,591.42	26,110.76
Rentals	88,826.81	35,382.59
Taxes	30,191.06	22,632.00
	$1,129,661.52	$575,055.47

9777 (4) Percentages (the Percentages Ascertained from Above Figures).

Character.	Amount.	Per cent. of freight earnings.	Per cent. of all earnings.
Interstate freight.	1,333,465.26	81.73	57.89
State freight.	277,416.52	17.01	12.04
Miscellaneous	20,603.37	1.26	.89
	$1,631,475.15	100%	70.82
		Per cent of passenger earnings.	
Interstate passenger.	303,214.54	45.12	13.16
State passenger.	246,368.53	36.66	10.70
Mail, express and miscellaneous.	122,458.22	18.22	5.32
	$672,041.29	100%	29.18
Total	$2,303,516.44	.....	100%

(5) State Freight Expense.

The total freight operating expenses (undivided as between state and interstate business) including taxes and rentals, but exclusive of interest, are $1,129,661.52, of which Interstate freight is 81.73%, or $923,272.36, and State freight is 17.01%, or $192,155.42.

(6) Summary.

(*a*) The state freight earnings as above shown are..	$277,416.52
From which should be deducted operating expenses as aforesaid	192,155.42
Leaving	$85,261.10
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which, as shown by Exhibit 3, hereto attached, are	$34,580.20
Leaving	$50,680.90

(c) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 6.54% of all freight expenses, $1,129,661.52, or $73,879.86; if twice as much, 12.06% of all freight expenses, $1,129,661.52, or $136,237.19; if three times as much. 21.07% of all freight expenses, $1,129,661.52, or $238,019.68; all as shown by Exhibit 4 hereto attached.

(d) From the sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is 12.04%. This percentage of all interest for six months, $518,602,—$62,439.68, leaving a deficit of $—.

9778 (e) From this sum should also be deducted a sum equalling 6% annual interest upon 12.04% of the actual value of the road, if found by the court, over and above the bonded indebtedness—in other words, the equity in the property, or $—. This would leave $—. This latter sum will represent the actual loss upon the state freight business.

(f) If, however, the court should determine that the value of the property upon which the company is entitled to a return, should be ascertained regardless of the bonded indebtedness and outstanding stock, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 12.04% of the entire value of the property, $—, or $—.

(g) This value may become unnecessary to ascertain, as a deficit may appear from the state's own valuation. The assessment of the state board for 1907 506.21 miles was $— per mile, or $6,964,743.31 for the state, at one-third of its actual value. So the state by action of its taxing board has practically conceded the total valution of $20,894,229.93 6% annual interest upon 12.04% of which value -2,515,665.28 is $150,939.91 or -75,469.96 For Six Mos. So this the company would be entitled to.

If, however, the court should find the actual value to be in excess of the state board's valuation, then there should be added 6% annual interest upon 12.04% per cent of this additional value so found, or $—.

(7) Passenger Earnings and Expenses.

(a) The state passenger earnings, including total mail, express and miscellaneous, as above shown are $368,826.75, and exclusive thereof, $246,368.63, while the expenses, undivided as between state and interstate, are $575,055.47. Interstate exclusive passenger earnings are 45.12% of all, or $303,214.54; state expenses 36.66%, or $210,815.34.

(b) The state passenger earnings as already shown are $246,368.53, from which there should be deducted for expenses, exclusive of interest, $210,815.34.

(c) Upon this basis it appears that there is a net revenue upon the state passenger business of $35,563.19 exclusive of interest on bonds, or extra cost of doing the state business.

(d) If, however, the passenger per mile basis be used, then this is the result:

9779 The number of passengers carried one mile as shown by Exhibit 7 was: State, 12,704,228, or 41.56%; interstate, 17,863,936, or 58.44% of all. The passenger expenses, undivided as between state and interstate, were $576,055.47, and undivided upon a passenger mile basis, 41.56%, or $238,993.05, would represent state passenger expenses, and 58.44% thereof, or $338,062.42, the interstate.

(*e*) There should however, be considered the extra cost of doing the state business ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis, then as shown by Exhibit 8, if the extra cost be 12, 25, 35, or 50%, this would equal these percentages of $575,055.47, all passenger expenses:

At 15% increased cost, 3.30%, or $18,976.82.
At 25% increased cost, 5.32%, or 30,592.95.
At 35% increased cost, 7.20%, or 41,403.99.
At 50% increased cost, 9.81%, or 56,412.94.

(*f*) If there should also be added to the deficit such interest upon the bonded indebtedness upon that part of the road devoted to the state passenger business, or 10.70% (upon a revenue basis) of the total interest, $518,602—$55490.41. To this deficit should be added a sum equalling 6% annual interest upon 10.70% of the actual value of the road as found by the court, over and above the bonded debt or the equity in the property. This latter sum will represent the actual loss upon the state passenger business.

(*g*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 10.70% of such entire value, or $134,140.95 or -67,070.47 For Six Mos.

State Board valuation -6,964,743.31 × 3 = $20,894,229.93; 10.70% thereof equals $2,235,682.60.

(*h*) As having a direct bearing upon the question of value, there is attached hereto as Exhibit 10 a statement of the bond and stock issue of the company. (Missouri proportion.)

		Stock.	
M. K. & T. 1st Mtg.	$7,136,000	Pfd.	$2,319,426
M. K. & T. 2nd Mtg.	3,568,000	Common	12,283,699
M.K.& T. 1st & Rfdg.	2,156,329		
M. K. & T. St. L. Div. Rfdg.	1,922,000	Total	14,603,125
Boonville R. R. Bridge	1,000,000		
M. K. & T. Genl. Mtg.	3,119,042		
M. K. & T. 1st Ext. Mtg.	1,251,814		
M. K. & E. 1st Mtg.	4,000,000		
M. K. & E. 2nd mtg.	60,000		
Total	24,213,185		

9780 SCHEDULE 2.

This is to be prepared so as to show the formula followed in the ascertainment and division of earnings and expenses, except that expenses after being localized in Missouri are not divided between state and interstate.

SCHEDULE 3.

The statement will show how much the diminution in freight earnings would have been if the Maximum Freight Law of 1907 has been followed. $34,580.20.

	State.	Interstate.
July	5,642.35	1,982.61
Aug.	7,364.33	2,848.37
Oct.	2,484.92	3,684.00
Nov.	1,069.09	1,547.21
Dec.	1,568.94	2,288.02
Jan.	2,093.22	2,007.14
	20,222.85	14,357.35
	14,357.35	
Total	34,580.20	

SCHEDULE 4.

(*a*) Upon the basis of the extra cost of state freight business being 50% more than interstate, the result would be:

Interstate ..... $81.73 \times 1 - \frac{81.73}{108.55} = 75.29$,

difference—6.44.

State ..... $17.01 \times 1\frac{1}{2} - \frac{25.56}{108.55} = 23.55$,

difference + 6.54.

Miscellaneous ..... $1.26 \times 1 - \frac{1.26}{108.55} = 1.16$,

difference—.10.

The extra cost then is 6.54 of all freight expense, $1,129,661.52, or $73,879.96.

(*b*) Upon the basis of two times more than interstate:

Interstate ..... $81.73 \times 1 - 81.73 - \frac{81.73}{117.01} - 89.85$,

difference—11.88.

State ..... $17.01 \times 2 - 34.02 - \frac{34.02}{117.01} - 29.07$,

difference + 12.06.

Miscellaneous ..... $1.26 \times 1 - \frac{1.26}{117.01} - \frac{1.26}{117.01} - 1.08$,

difference—.18.

The extra cost then is 12.06 of all freight expense, $1,129,681.52, or $136,237.18.

(c) Upon the basis of three times more than interstate:

Interstate ..... $81.73 \times 1 - \frac{81.73}{134.02} - 60.98$,

difference—20.75.

9781 State ..... $17.01 \times 3 - \frac{51.03}{134.02} - 38.08$,

difference + 21.07.

Miscellaneous ..... $1.26 \times 1 - \frac{1.26}{134.02} - .94$,

difference—.32.

The extra cost then is 21.07% of all freight expense, $1,129,661.52, or $238,019.68.

EXHIBIT 5.

The ton mile basis should not, however, be adopted for the reasons given in Exhibit 55 in the Missouri Pacific Case.

EXHIBIT 6.

Freight Tonnage Statement.

	State.	Interstate.	Total.
Tons carried	169,362	556,901	726,623
Tons carried one mile.....	14,769,749	125,262,568	140,032,317
Tons carried one mile per mile of road	.....	.....	.....
Average tons hauled per mile	.....	.....	.....
Average revenue per ton per mile (freight only).....	.01878	.01065	.....
Same, miscellaneous	.....	.....	.....

EXHIBIT 7.

Passenger Statement.

	State.	Interstate.	Total.
Passengers carried	422,880	171,346	594,226
Carried one mile	12,704,228	17,863,936	30,568,164
Average miles hauled per passenger	30.	104.3	51.4
Average revenue per passenger per mile, exclusive of mail, express, etc.	.01939	.01697	.01798

Total passengers carried one mile were 30,568,164 of which 12,704,228 or 41.56% were state, and 17,863,936, or 58.44% were interstate.

This shows the percentages upon passenger per mile basis.

9782 EXHIBIT 8.

If extra cost of doing state passenger business be ascertained upon the revenue basis, then the result is:

If the extra cost be 15, 25, 35, or 50%, upon a revenue basis, it would be thus found:

(*a*) At 15%.

Interstate ..... $\frac{45.12 \times 1}{105.50} = 45.12 - 42.77$,

difference—2.35.

State ..... $\frac{36.66 \times 1.15}{105.50} = 42.16 - 39.96$,

difference + 3.30.

Misc. ..... $\frac{18.22 \times 1}{100} = \frac{18.22}{105.50} - 17.27$,

difference—.95.

Extra cost is then 3.30% of $575,055.47, or $18,976.82.

(*b*) At 25%.

Interstate ..... $\frac{45.12 \times 1}{109.17} = 45.12 - 41.33$,

difference—3.79.

State ..... $36.66 \times 1.25 - \frac{45.83}{109.17} - 41.98$,

difference + 5.32.

Misc. ..... $\frac{18.22 \times 1}{100\%} - \frac{18.22}{109.17} - 16.69$,

difference—1.53.

The extra cost then is 5.32% of $575,055.47, or $30,592.95.

(*c*) At 35%.

Interstate ..... $45.12 \times 1 - \frac{45.12}{112.83} - 39.99$,

difference—5.12.

State ..... $36.66 \times 1.35 - \frac{49.49}{112.83}\ p\ 43.86$,

difference + 7.20.

Misc. ..... $\frac{18.22 \times 1}{100\%} - \frac{18.22}{112.83} - 16.15$,

difference—2.07.

The extra cost then is 7.20% of $575,055.47, or $41,403.99.

(*d*) At 50%.

Interstate ..... $45.12 \times 1 - \frac{45.12}{118.33} - 38.13$,

difference—6.99.

State ..... $36.66 \times 1\frac{1}{2} - \frac{54.99}{118.33} - 46.47$,

difference + 9.81.

Misc. ..... $\frac{18.22 \times 1}{100\%} - \frac{18.22}{118.33} - 15.40$,

difference—2.82.

The extra cost then is 9.81% of $575,055.47, or $56,412.94.

9783 EXHIBIT 9.

Extra Cost of Doing State Passenger Business, Ascertained upon Passenger Per Mile Basis.

The extra cost of doing the state over interstate business ascertained upon the passenger per mile basis, would, upon the basis of the increase of 15, 25, 35, or 50%, thus result:

Total passengers per mile were 30,568,164, of which 17,863,936, or 58.44% were interstate, and 12,704,228, or 41.56% were state. These percentages are thus applied:

(*a*) At 15% Increase.

Interstate ..... 58.44 x 1 — 58.44 — 55.01, difference—3.43.

State ..... 41.56 x 1.15 — 47.79 — 44.99, difference + 3.43.

The total passenger expense, exclusive of miscellaneous, is 81.78% of the entire expense, $575,055.47, or $470,280.36, of which 3.43%, ascertained as aforesaid, is $16,130.61, which would represent the extra cost.

(*b*) At 25% Increase.

Interstate ..... 58.44 x 1 — 58.44 — 52.94, difference—5.50.

State ..... 41.56 x 1.25 — 51.95 — 47.06, difference + 5.50.

The total passenger expense, exclusive of miscellaneous is 81.78% of the entire expense, $575,055.47, or $470,280.36, of which 5.50%, ascertained as aforesaid, is $25,865.42, which would represent the extra cost.

(*c*) At 35% Increase.

Interstate ..... 59.44 x 1 — 58.44 — 51.02, difference—7.42.

State ..... 41.56 x 1.35 — 56.11 — 48.98, difference + 7.42.

The total passenger expense, exclusive of miscellaneous is 81.78% of the entire expense, $575,055.47, or $470,280.36, of which latter sum, 7.42%, ascertained as aforesaid is $34,894.80, which would represent the extra cost.

(*d*) At 50% Increase.

Interstate ..... 58.44 x 1 — 58.44 — 48.39, difference—10.05.

State ..... 41.56 x 1½ — 62.34 — 51.61, difference + 10.05.

The total passenger expense, exclusive of miscellaneous is 81.78% of the entire expense, $575,055.47, or $470,280.36 of the latter sum, 10.05%, ascertained as aforesaid, would represent the extra cost $47,263.18.

9784 EXHIBIT 10.

Missouri Mileage, Bond, and Stock Statement.

Total miles of railroad owned	2,768.12
Total miles in Missouri, owned	513.46
Total bond issue	$108,990,000.
Bond issue per mile	39,373.29
Bond issue for Missouri, actual and on mileage basis	24,213,185.
Total stock issue	80,222,800.
Stock issue per mile	28,980.97
Stock issue for Missouri, on a mileage basis	14,603,125.

Ex. 90.

Missouri, Kansas & Texas Railway System—Accounting Department.

Missouri—Interstate.

	Gross pass'g'r revenue.		Passengers carried.		Average rev. pass'g'r mile.	
	1906-7.	1907-8.	1906-7.	1907-8.	1906-7.	1907-8.
July	43,398.00	49,736.00	29,791	26,205	.01677	.01808
August	52,412.00	58,569.00	27,943	32,585	.01732	.01706
October	38,305.00	51,929.00	21,891	29,799	.01949	.01731
November	36,342.00	43,401.00	19,652	25,293	.01949	.01648
December	44,906.00	48,885.00	24,275	29,258	.01937	.01630
1907-8.						
January	40,526.00	47,304.00	20,235	28,056	.02072	.01631
February	43,012.00	44,923.00	12,743	24,219	.01860	.01663
March	43,656.00	44,890.00	13,936	25,973	.01838	.01654
April	38,070.00	40,576.00	14,612	23,734	.01939	.01675
May	42,026.00	38,568.00	20,399	24,129	.01983	.01701
Total	422,653.00	469,081.00	205,477	269,251	.01880	.01689
Increase	.....	46,428.00	.....	63,774		

Av. Rate 1906-7..... .01880
Av. Rate 1907-8..... .01689

.00191 × 27,842,549 (Pass'g'rs 1 Mile equals) $53,179.27—loss for ten months.

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Missouri, Kansas & Texas Railway System—Accounting Department.

Local Missouri Passenger Report.

Month.	Gross passenger revenue.		Passengers one mile.		Passengers carried.		Av. dist. carried, miles.		Av. rev. per passgr. per mile.	
	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.
July	45,622.00	40,400.00	1,847,710	2,053,995	61,599	71,766	30.	29.	.02469	.01967
August	44,188.00	49,511.00	1,886,718	2,583,072	61,831	88,495	30.5	29.2	.02342	.01917
October	46,224.00	53,737.00	2,003,419	2,773,946	61,264	82,242	32.7	22.7	.02307	.01937
November	34,692.00	31,720.00	1,275,181	1,643,286	45,109	57,016	28.3	28.8	.02721	.01931
December	42,663.00	36,635.00	1,683,719	1,906,205	85,964	66,764	19.6	28.6	.02534	.01922
	1907.	1908.	1907.	1908.	1907.	1908.	1907.	1908.	1907.	1908.
January	32,840.00	30,990.00	1,182,286	1,598,720	46,449	56,459	25.5	28.3	.02778	.01938
Total	246,229.00	242,997.00	.....	.....	362,216	422,732				
February	30,882.00	28,654.00	1,107,827	1,484,463	42,755	55,660	25.9	26.7	.02788	.01930
March	36,502.00	33,309.00	1,324,898	1,726,650	49,713	61,503	26.7	28.1	.02755	.01929
April	33,528.00	30,736.00	1,244,667	1,584,712	45,061	59,927	27.6	26.4	.02694	.01940
May	36,426.00	35,354.00	1,507,822	1,821,637	48,374	67,141	31.2	27.1	.02416	.01941
Totals	383,567.00	371,050.00	15,064,247	19,176,686	648,119	666,963	27	29	.02546	.01935
July, 1908	.....	38,489.00	.....	1,987,604	.....	74,815	....	26.6	.....	.01936

10 Months, revenue decreased 12,517.00
8 " " " 3,232.00

Passengers carried, increased 118,844
" " " 60,516

Average rate, 1906 ..... .02546
Do. 1907 ..... .01935

.00611 × 19,176,686, equals $117,169.55—loss for ten months.

9787 Ex. 90.

Missouri, Kansas & Texas Railway System.

Accounting Department.

Supplement to Exhibit 90, Showing Increase in Gross Passenger Revenue for Six Months for the System.

1907.		
July	$96,936.66	
August	109,053.38	
October	73,974.47	
November	.....	$11,076.61
December	.....	43,910.34
January, 1908	.....	18,805.95
Net increase	206,171.61	

9788 Ex. 91.

2997.

M. K. & T. Ry. Co.
vs.
Herbert S. Hadley et al.

The revenue on state passengers as shown by Exhibit # 89 amounted to	$246,368.53
And on interstate passengers	303,214.54
The miscellaneous passenger earnings (mail, express, extra baggage, etc.) amounting to 122,458.22, if divided, on the basis of state and interstate passenger revenue would add to the state earnings	54,885.77
And to interstate earnings	67,572.45
Making the total state earnings	301,254.30
And total interstate earnings	370,786.99
The total passenger expenses as shown in Exhibit # 89 amounted to	575,055.47
Deducting taxes, $22,632.90 and rentals, $35,832.59 would leave	516,589.98

If the figure, $516,589.98, be divided between state and interstate on the basis of passenger miles, the charge to state business will be..... 214,694.80

And to interstate business..... 301,895.18

If the figure, $516,589.98, be divided between state and interstate on the basis of state passengers costing 10% less per passenger-mile than the interstate the amount to be charged against state business will be.. 201,573.41

And against interstate business..... 315,016.57

9789 If the figure, $516,589.98, be divided between state and interstate on the basis of state passenger costing 20% less per passenger mile than interstate, the amount to be charged to state business would be 187,315.53

And to interstate business..... 329,274.45

Summarizing the above, we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	301,254.30	370,786.99	672,041.29
Expenses (state costing same as interstate per passenger-mile)	214,694.80	301,895.18	516,589.98
Net Earnings.....	86,559.50	68,891.81	155,451.31
Earnings	301,254.30	370,786.99	672,041.29
Expenses (state costing 10% less than interstate per passenger mile)....	201,573.41	315,016.57	516,589.98
Net Earnings.....	99,680.89	55,770.42	155,451.31
Earnings	301,254.30	370,786.99	672,041.29
Expenses (state costing 20% less than interstate per passenger mile)....	187,315.53	329,274.45	516,589.98
Net Earnings.....	113,938.77	41,512.54	155,451.31

9790

The net earnings on state business, on the various bases shown above, were respectively	$85,559.50	$99,680.89	$113,938.77
Taxes and rentals above, deducted	24,298.26	24,298.26	24,298.26
Balance applicable to value of property	62,261.24	75,282.63	89,640.51

The assessed value of the property in Missouri, including franchise, was, for the year 1907..... %.....

Three times this figure would be..... $.....

The state passenger earnings shown above were 23.11% of the gross earnings in the state on all business: and 23.11% of $— is..... $.....

One-half of this amount (on which the balances applicable to value of property should be applied) would be..... $.....

$62,261.24, the balance applicable to value of property on the even cost basis, would be —% on the above value of..... $.....

$75,382.63, the balance applicable to value of property on the 90% basis (state costing 10% less per passenger mile than the interstate) would be —% on the above value of..... $.....

$89,640.51, the balance applicable to value of property on the 80% basis (state costing 20% less per passenger mile than the interstate) would be —% on the above value of..... $.....

The passenger miles used in the above calculations are the figures shown in Exhibit # 89, namely:

State ..... 12,704,228, or 41.56%
Interstate ..... 17,863,936, or 58.44%

9791 Ex. 92.

2997.

M. K. & T. Ry. Co.
vs.
Herbert S. Hadley et al.

The revenue on state freight as shown by Exhibit 89 amounted to	277,416.52
And on interstate freight	1,333,455.26
The miscellaneous freight earnings (switching, demurrage, storage, etc.) amounting to $20,603.37, if divided on the basis of state and interstate freight revenue would add to the state earnings	3,547.90
And to the interstate earnings	17,055.47
Making the total state earnings	280,964.42
And the total interstate earnings	1,350,510.73
The total freight expenses as shown in Exhibit 89 amounted to	1,129,661.52
Deducting taxes, $30,191.06, and rentals, $88,826.81 would leave	1,010,643.55
If the figure, $1,010,643.55, be divided between state and interstate on the basis of ton miles, the charge to state business will be	111,170.78
And to interstate business	899,472.77
If the figure, $1,010,643.55, be divided between state and interstate on the basis of state costing 30% more per ton mile than the interstate, the amount to be charged against said business will be	139,873.07
And against interstate business	870,770.48
9792 If the figure, $1,010,643.55, be divided between state and interstate on the basis of state freight costing 50% more per ton mile than the interstate, the amount to be charged to state business would be	158,064.65
And to interstate business	852,578.90

Summarizing the foregoing we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	280,964.42	1,350,510.73	1,631,475.15
Expenses (state costing same as interstate per ton mile)	111,170.78	899,472.77	1,010,643.55
Net Earnings	169,793.64	451,037.96	620,831.60
Earnings	280,964.42	1,350,519.73	1,631,475.15
Expenses (state costing 30% more than interstate per ton mile)	139,873.07	870,770.48	1,010,643.55
Net Earnings	141,091.35	479,740.25	620,831.60
Earnings	280,964.42	1,350,510.73	1,631,475.15
Expenses (state costing 50% more than interstate per ton mile)	158,064.65	852,578.90	1,010,643.55
Net Earnings	122,899.77	497,931.83	620,831.60

9793

The net earnings on state business on the various bases shown above were respectively	169,793.64	141,091.35	122,899.77
From which deduct taxes and rentals	13,091.97	13,091.97	13,091.97
Also diminution in revenue	20,222.86	20,222.86	20,222.86
Leaving balance applicable to value of property	136,478.81	107,776.52	89,584.94

The assessed value of the property in Missouri, including franchise, was, for the year 1907 ————

Three times this figure would be ————

The state freight earnings shown above were 12.19% of the gross earnings on all business: and 12.19% of $—— is ————

One-half of this amount (on which the balance applicable to value of property should be applied) would be ————

$136,478.81, the balance applicable to value of property on the even cost basis, would be ——% of the value of $————

$107,776.52, the balance applicable to value of property on the 130% basis (state costing 30% more per ton mile than interstate) would be ——% on the above value of..... $———

$89,584.94, the balance applicable to value of property on the 150% basis (state costing 50% more per
9794 ton mile than interstate) would be ——% on the above value of..... $———

The ton miles used in the above calculation are the figures shown in Exhibit #89, namely:

State.....	14,769,749 or 11.%
Interstate.....	125,262,568 or 89.%

The revenue per ton mile on state freight averaged 1.87 cents or 76.41% more than the average per ton mile of 1.06 cents on interstate freight.

9795 Ex. 93.

Exhibit I.

Statement of The Kansas City, Clinton & Springfield Railway Company as to Missouri Earnings and Expenses for June 30, 1907, to June 30, 1908, inclusive.

(1) In the next two paragraphs hereof there is produces a statement showing the Missouri earnings and operating expenses of the Company for the months of July 1907 to June 1908, inclusive. This statement shows, (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states according to the formula herewith presented as exhibit 2; (*c*) the more difficult matter, i. e. the apportionment of the expenses as between interstate and state business in not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(1) Earnings.

	Interstate.	State.	Total.
Freight.....	$116,893.60	$45,003.15	$161,896.75
Passenger.....	41,145.00	47,646.80	88,791.80

Inasmuch as difference might arise between complainant and the State as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

9796 (3) Expenses (Undivided as Between State and Interstate).

	Freight.	Passenger.
Maintenance of Way and structures	$24,191.16	$39,271.58
Maintenance of Equipment	17,596.91	18,509.11
Traffic Expenses	2,124.19	2,713.96
Transportation Expenses	49,013.31	68,025.06
General Expenses	6,062.72	9,865.06
Total Operating Expenses	$98,988.29	$138,384.77
Taxes	9,182.36	5,749.38
Total expenses and taxes	$108,170.65	$144,134.15

(4) Percentages (the Percentages Ascertained from above Figures).

Character.	Amount.	Per cent of freight earnings.	Per cent of F. & P. earnings.
Interstate freight	$116,893.60	72.20	46.63
State freight	45,003.15	27.80	17.95
Miscellaneous	.....	.....	.....
	$161,896.75	100.	64.58
		Per cent of passenger earnings.	
Interstate passenger	41,145.00	46.34	16.41
State Passenger	47,646.80	53.66	19.01
Mail, express & Miscellaneous	.....	.....	.....
	$88,791.80	100.	35.42
Total	250,688.55	.....	100.00

(5) State Freight Expense.

The total freight operating expenses (undivided as between State and interstate business) including taxes, but exclusive of interest, are	$108,170.65
Of which Interstate freight is 72.20% or	78,099.21
And State freight is 27.80% or	30,071.44

9797 (6) Summary:

(*a*) The state freight earnings as above are	$45,003.15
From which should be deducted operating expenses as aforesaid	30,071.44
Leaving	$14,931.71
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which are estimated at .066 of all state freight earnings, that being the actual proportion shown in C. B. & Q.	2,970.21
Leaving	$11,961.50

(c) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 8.81% of all freight expenses, $98,988.29 (excluding taxes, against which no extra cost is charged), or $8,720.86; if twice as much 15.71% of all freight expenses, $98,988.29 or $15,551.06; if three times as much 25.80% of all freight expenses $98,988.29 or $25,538.87, all as shown by Exhibit 4 hereto attached.

From the sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is 17.95%. This percentage of all interest $135,770.80, for one year equals $24,370.86, leaving a deficit of $—.

9798 (e) This value may become unnecessary to determine as a deficit may appear from the state's own valuation. The assessment of the state board for 1907 was $7881.01 per mile or $1,190,111.24 for the 151.01 miles in the state, at one-third of its actual value. So the state, by action of its taxing board, has practically conceded the total valuation of $3,570,333.72, 6% annual interest upon 17.95% of which value, $640,774.90 is $38,446.49. So this the Company would be entitled to.

If, however, the court should find the actual value to be in excess of the state board's valuation, then there should be added 6% annual interest upon —% of this additional value as found, or $—.

(7) Passenger Earnings and Expenses:

(a) The state passenger earnings, as above shown, are $47,646.80, while the expenses, including taxes, undivided as between state and interstate, are $144,134.15. State passenger expenses are 53.66% of all, or $77,342.38.

(b) The state passenger earnings as already shown are $47,646.80, from which there should be deducted, for expenses, exclusive of interest $77,342.38.

(c) Upon this basis it appears that there is a loss, $29,695.58, upon the state passenger business, without regard to the question of any return upon the investment, or extra cost of doing the state business.

(d) There should, however, be added to the deficit the extra cost of doing the state business ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis, then, as shown by Exhibit 8, if the extra cost be 15, 25,
9799 35, or 50%, this would equal these percentages of $138,384.77, all passenger expenses (excluding taxes, against which no extra cost is charged):

At 15% increased cost, 3.45% or	$ 4774.19
At 25% increased cost, 5.48% or	$ 7721.87
At 35% increased cost, 7.33% or	$10143.60
At 50% increased cost, 9.80% or	$13561.71

(e) There should also be added to the deficit such interest upon the bonded indebtedness upon that part of the road devoted to the

state passenger business, or 19.01 (upon a revenue basis) of the total interest, $135,770.80 = $25,810.03. To this deficit should be added a sum equalling 6% annual interest upon 19.01% of the actual value of the road as found by the court, over and above the bonded debt or the equity in the property. This latter sum will represent the actual loss upon the state passenger business.

(*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon —% of such entire value or $—.

(*g*) This value may become unnecessary to determine as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the state Board of Equalization shows the rate to be confiscatory. The assessment for 1907, for the 151.01 miles, was $1,190,111.24, and this was, as will be conceded by the state, upon one-third of the value as determined by that body. This makes a valuation of $3,570,333.72. The Company would be entitled to 6% annual interest upon 19.01 of such value $678,720.44 or $40,723.23.

9800 Ex 93-A.

Exhibit I.

Statement of the Kansas City, Clinton & Springfield Railway Company as to Missouri Earnings and Expenses for June 30, 1907 to June 30, 1908, Inclusive.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the Company for the months of July 1907 to June 1908, inclusive. This statement shows, (*a*) The actual receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and states according to the formula herewith presented as exhibit 2; (*c*) the more difficult matter, i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(1) Earnings:

	Interstate.	State.	Total.
Freight	$116,893.60	$45,003.15	$161,896.75
Miscell.			9,319.58
Passenger	41,145.00	47,646.80	88,791.80
Miscell.			24,797.39
			$284,805.52

Inasmuch as differences might arise between complainant and the State as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

9301 (3) Expenses (Undivided as between state and interstate).

	Freight.	Passenger.
Maintenance of way and structures	$24,191.16	$39,271.58
Maintenance of Equipment	17,596.91	38,509.11
Traffic Expenses	2,124.19	2,713.96
Transportation Expenses	49,013.31	68,025.06
General Expenses	6,062.72	9,865.06
Total Operating Expenses	$98,968.29	$138,384.77
Taxes	9,182.36	5,749.38
Total expenses and taxes	$108,170.65	$144,134.15
		108,120.65
		$252,304.80

(4) Percentages: (The percentages ascertained from above figures.)

Character.	Amount.	Per cent. of freight earnings.	Per cent. of total earnings.
Interstate freight	$116,893.60	68.27	41.04
State Freight	45,003.15	26.29	15.80
Miscellaneous	9,319.58	5.44	3.27
	$171,216.33	100.	60.11
		Per cent of passenger earnings.	
Interstate Passenger	41,145.00	36.22	14.45
State Passenger	47,646.80	41.95	16.73
Mail, express & Miscellaneous.	24,797.39	21.83	8.71
	$113,589.19	100.	39.89
Total	$284,805.5.2		100.

(5) State Freight Expense:

The total freight operating expenses (undivided as between state and interstate business) including taxes but exclusive of interest, are		$108,170.65
Of which Interstate freight is	68.27 or	73,848.10
And State Freight is	26.29 or	28,438.06

9802 (6) Summary:

(*a*) The state freight earnings as above are	$45,003.15
From which should be deducted operating expenses as aforesaid	28,438.06
Leaving	$16,565.09
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which are estimated at .066 of all state freight earnings, that being the actual proportion shown in C. B. & Q.	2,970.21
Leaving	$13,594.88

(*c*) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this *court* were 50% more, this would be 8.57% of all freight expenses, $98,988.29 (excluding taxes, against which no extra cost is charged), or $8,483.30; if twice as much 15.34% of all freight expenses, $98,988.29 or $15,184.80; if three times as much 25.40% of all freight expenses $98,988.29 or $25,143.63, all as shown by Exhibit 4 hereto attached.

From this sum thus left, there should be deducted interest upon the bonded indebtedness upon that part of the entire road in Missouri which is devoted to state freight. This upon the revenue basis is 15.80%. This percentage of all interest $151,150.50 for one year 23,881.78 equals $24,370.86, leaving a deficit of $—.

9803 (*e*) This value may become unneccssary to determine, as a deficit may appear from the state's own valuation. The assessment of the state board for 1907 was $7881.01 per mile or $1,190,111.24, for the 151.01 miles in the state, at one-third of its actual value. So the state, by action of its taxing board, has practically conceded the total valuation of $3,570,333.72. 6% annual interest upon 15.80% of which value, $564,112.73 is $33,846.76. So this the Company would be entitled to.

If, however, the court should find the actual value to be in excess of the state Board's valuation, then there should be added $6% annual interest upon —% of this additional value as found, or $—.

(7) Passenger Earnings and Expenses:

(*a*) The state passenger earnings, as above shown, are $47,646.80, while the expenses, including taxes, undivided as between state and interstate, are $144,134.15. State passenger expenses are 41.95% of all, or $60,464.27.

(*b*) The state passenger earnings as already shown are $47,646.80, from which there should be deducted, for expenses, exclusive of interest $60,464.27.

(c) Upon this basis it appears that there is a loss, $12,817.47, upon the state passenger business, without regard to the question of any return upon the investment, or extra cost of doing the state business.

(d) There should, however, be added to the deficit the extra cost of doing the state business ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis, then, as shown by Exhibit 8, if the extra cost be 15, 25,
9804 35, or 50%, this would equal these percentages of $138,-384.77, all passenger expenses (excluding taxes, against which no extra cost is charged):

At 15% increased cost, 3.44% or	$ 4760.44
At 25% increased cost, 5.51% or	$ 7625.00
At 35% increased cost, 7.43% or	$10281.99
At 50% increased cost, 10.07% or	$13935.35

(e) There should also be added to the deficit such interest upon the bonded indebtedness upon that part of the road devoted to the state passenger business, or 16.73 (upon a revenue basis) of the total interest, $151,150.50 = $25,288.48. To this deficit should be added a sum equalling 6% annual interest upon 16.73% of the actual value of the road as found by the court, over and above the bonded debt or the equity in the property. This latter sum will represent the actual loss upon the state passenger business.

(f) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon —% of such entire value of $—.

(g) This value may become unnecessary to determine as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the state Board of Equalization shows the rate to be confiscatory. The assessment for 1907, for the 151.01 miles, was $1,190,111.24, and this was, as will be conceded by the state, upon one-third of the value as determined by that body. This makes a valuation of $3,570,333.72. The Company would be entitled to 6% annual interest upon 16.73% of such value $597,316.83 or $35,839.01.

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Ex. 94.

Kansas City, Clinton & Springfield Ry. Co.

(For Year Ending June 30, 1908.)

Statement Showing Passengers Carried — Mile in Missouri, Revenue Derived Therefrom, Revenue per Passenger per Mile, Same for Year Ending June 30, 1907; Loss.

(*a*)	Passengers carried one mile in Missouri of which 2,381,696 were state and 2,213,452 Interstate..		4,595,154
(*b*)	Revenue derived therefrom—		
	State	$47,646.80	
	Interstate	41,145.00	
	Total		$88,791.80
(*c*)	Revenue per passenger per mile—		
	State	.020005	
	Interstate	.018588	
	Average		.01932
(*d*)	For the year ending June 30, 1907, the revenue per passenger per mile was—		
	State	.026158	
	Interstate	.023489	
	Average		.02487
(*e*)	By the difference thus shown the rate per passenger mile for 1907 upon state passenger business was		.026158
	And for 1908 was		.020005
	Making a loss per passenger mile of		006153

(*f*) Passengers carried one mile in Missouri for the year ending June 30, 1908, were 2,381,696, which, multiplied by the loss .006153 = $14,654.57, which shows the additional sum which would have been received for state passengers had the old rates remained in force.

(Here follows Income Account Statement of Kansas City, Clinton & Springfield Railway Co., marked page 9805½.)

9806 EXHIBIT 96.

St. Louis & San Francisco R. R. Co.

Miscellaneous Revenue.

	State.	Interstate.	Total.
Passenger	$65,883.73=33.9%	$128,268.72=66.1%	$194,152.45=100%
Freight	22,455 48=36.9%	38,448.11=63.1%	60,903.59=100%
Total	$88,339.21=34.7%	$166,716.83=66.3%	$255,056.04=100%

9807 EXHIBIT 97.

C., R. I. & P. Ry. Co.

Approximate division of miscellaneous freight and passenger revenue is as follows:

	State.	Interstate.	Total.
Freight Miscl	$7,928.69=36 4%	$13,887 01=63.6%	$21,815.70=100%
Passenger Miscl	13,774.02=30.6%	$31,206.06=69.4%	$44,980 08=100%
Total Miscl	$21,702.71=32.5%	$45,093.07=67.5%	$66,795.78=100%

9808 EXHIBIT 98.

Exhibit I.

Statement of Chicago, Burlington & Quincy Railroad Company as to Missouri Earnings and Expenses for Year Ending June 30th, 1908, as Bearing upon Passenger Earnings.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the Company for the year ending June 30th, 1908. This statement shows (*a*) the actual receipts from state and interstate business which is a matter of actual ascertainment, divided between state and interstate only as to passenger; (*b*) the expenses apportioned as between passenger, freight and miscellaneous; (*c*) the more difficult matter i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done—whether upon the revenue or some other basis.

(2) Earnings.

	Interstate.	State.	Total.
Freight, Miscellaneous } undivided	.....	.....	$8,927,630.81
Passenger	$1,777,788.28	$1,611,702.92	3,389,491.19

NOTE.—The figures showing division of Missouri passenger earnings between state and interstate are based on tickets, etc., actually lifted during the fiscal year. The earnings so shown do not agree

with those which actually enter into the passenger earnings of the company, as the earnings for some months are not reported by foreign roads in time to get into the account of the month in which the traveling was done. The difference for this year between the passenger figures given above and those on our books is only $1,823.69, which is small enough to neglect and which has, therefore, been thrown in with the Miscellaneous earnings in this statement.

9809 Inasmuch as differences might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided between state and interstate earnings.

(3) Expenses (Undivided as Between State and Interstate).

	65.24% freight.	7.24% miscellaneous.	25.52% passenger.
Maintenance of Way and Structures	$2,064,125.43	$229,066.04	$870,704.04
Maintenance of Equipment	1,322,784.23	146,795.80	557,986.24
Traffic Expenses	190,565.37	21,147.97	80,385.64
Transportation Expenses	2,935,912.75	325,812.52	1,238,447.56
General Expenses	219,981.99	24,412.27	92,794.36
Taxes	154,757.76	17,174.23	65,281.02
Rentals (Not including interest on bonds, sinking fund payment or dividends)	167,406.42	18,577.90	70,616.57
Total	$6,720,721.11	$745,831.13	$2,834,982.29
Grand Total			$10,301,534.53

(4) Percentages (the Percentages Ascertained from Above Figures).

Character.	Amount.	Per cent. of passenger earnings.	Per cent. of all earnings.
Freight	$8,035,229.51		65.24
Miscellaneous	892,401.30		7.24
Interstate passenger	1,777,788.27	52.45	14.43
State passenger	1,611,702.92	47.55	13.09
Total	$12,317,122.00	100.	100.

(5) State Freight Expenses.

Full statements having been heretofore made of the freight expenses, none need be herein presented.

9810 (6) Passenger Earnings and Expenses.

(*a*) The state passenger earnings, as above shown, are, $1,611,-702.92 while the expenses, undivided as between state and interstate, are $2,834,982.29. Interstate exclusive passenger earnings are 52.45% of all, or $1,486,948.21; state expenses 47.55% or $1,348,-034.08.

(*b*) The state passenger earnings, as already shown, are $1,611,-702.92, from which there should be deducted for expenses, $1,348,-034.08 leaving $263,668.84.

(*c*) There should, however, be deducted from this figure the extra cost of doing the state business, ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis, then, as shown by Exhibit 8, if the extra cost be 15, 25, 35, or 50% this would equal these percentages of $2,834,982.29, all passenger expense:

At 15% increased cost,	3.49% or.....	$98,940.88
At 25% increased cost,	5.57% or.....	$157,908.51
At 35% increased cost,	7.48% or.....	$212.056.68
At 50% increased cost,	10.08% or.....	$285,766.21

(*d*) If, however, the court shall determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the bonded debt and stock issue, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 13.09% of such entire value, or $—.

(*e*) This value may become unnecessary to determine as a deficit may appear from the state's own valuation, and as to the freight, the value fixed by the State Board of Equalization shows the rate to be confiscatory. The assessment for 1908 was $17,724,302.61 and this was, as will be conceded by the state, upon one-third of the value as determined by that body. This makes a valuation of $53,172,907.83. The company would be entitled to 6% annual interest upon 13.09% proportion of entire revenue of such value, $6,960,333.63, or $417,620.02.

9811 (*f*) As having a direct bearing upon the question of value there is attached hereto as Exhibit 10, a statement of bonds and stock issue of the company.

9812 EXHIBIT 7.

Passenger Statement.

	State.	Interstate.	Total.
Passengers carried	2,695,868	987,808	3,683,676
Carried One Mile.....	82,263,410	96,872,744	179,139,154
Carried One mile per mile of road	72,593	85,482	158,075
Average miles hauled per passenger	30.52	98.07	48.63
Average revenue per passenger per mile exclusive of mail, express, etc.....	$0.0196	$0.0183	$0.0189

Total passengers carried one mile were 179,139,154, of which 82,266,410 or 45.92% were state and 96,872,744 or 54.08% were interstate.

This shows the percentages upon passenger per mile basis.

The above based on figures for fiscal year ended June 30th, 1908.

9813 EXHIBIT 8.

If extra cost of doing state passenger business be ascertained upon the revenue basis, then the result is:

If the extra cost be 15, 25, 35, or 50%, upon a revenue basis it would be thus found:

(*a*) At 15%.

Interstate ..... $52.45 \times 1 = 52.45 = \frac{52.45}{107.13} = 48.98$,

difference—3.49.

State ..... $47.55 \times 1.15 = 54.68 = \frac{54.68}{107.13} = 51.04$,

difference + 3.49.

Extra cost is then 3.49% of $2,834,982.29, or $98,940.88.

(*b*) At 25%.

Interstate ..... $52.45 \times 1 = 52.45 = \frac{52.45}{111.89} = 46.68$,

difference—5.57.

State ..... $47.55 \times 1.25 = 59.44 = \frac{59.44}{111.89} = 53.12$,

difference + 5.57.

The extra cost then is 5.57% of $2,834,982.29, or $157,908.51.

(c) At 35%.

Interstate ..... $52.45 \times 1 = 52.45 = \frac{52.45}{116.64} = 44.97$,

difference—7.48.

State ..... $47.55 \times 1.35 = 64.19 = \frac{64.19}{116.64} = 55.03$,

difference + 7.48.

The extra cost then is 7.48% of $2,834,982.29, or $212,056.68.

(d) At 50%.

Interstate ..... $52.45 \times 1 = 52.45 = \frac{52.45}{123.78} = 42.37$,

difference—10.08.

State ..... $47.55 \times 1\frac{1}{2} = 71.33 = \frac{71.33}{123.78} = 57.63$,

difference + 10.08.

The extra cost then is 10.08% of $2,834,982.29, or $285,766.21.

9814 EXHIBIT 9.

Extra Cost of Doing State Passenger Business, Ascertained upon Passenger Mile Basis for Fiscal Year Ended June 30th, 1908.

The extra cost of doing state over interstate business, ascertained upon the passenger per mile basis would, upon the basis of the increase of 15, 25, 35, or 50%, thus result:

Total passengers per mile were 179,139,154, of which 96,872,744 or 54.08% were interstate, and 82,266,410, or 45.92% were state. These percentages are thus applied:

(a) At 15% Increase.

Interstate ..... $54.08 \times 1 = 54.08 = \frac{54.08}{106.89} = 50.59\%$,

difference—3.49.

State ..... $45.92 \times 1.15 = 52.81 = \frac{52.81}{106.89} = 49.41\%$,

difference + 3.49.

The total passenger expense is 27.52% of the entire expense, $10,301,534.53 or $2,834,982.29, of which 3.49%, ascertained as aforesaid, is $98,940.88 which would represent the extra cost.

(*b*) At 25% Increase.

Interstate ..... $54.08 \times 1 = 54.08 = \frac{54.08}{111.48} = 48.51\%$,

difference—5.57

State ..... $45.92 \times 1.25 = 57.40 = \frac{57.40}{111.48} = 51.49\%$,

difference + 5.57.

The total passenger expense is 27.52 of the entire expense, $10,301,534.53 or $2,834,982.29, of which 5.57%, ascertained as aforesaid, is $157,908.51 which would represent the extra cost.

9815 (*c*) At 35% Increase.

Interstate ..... $54.08 \times 1 = 54.08 = \frac{54.08}{118.07} = 46.59\%$,

difference—7.49.

State ..... $45.92 \times 1.35 = 61.99 = \frac{61.99}{116.07} = 53.41\%$,

difference + 7.49.

The total passenger expense is 27.52% of the entire expense, $10,301,534.53, or $2,834,982.29, of which latter sum 7.49% ascertained as aforesaid, is $212,340.17, which would represent the extra cost.

(*d*) At 50% Increase.

Interstate ..... $54.08 \times 1 = 54.08 = \frac{54.08}{122.96} = 43.98\%$,

difference—10.10.

State ..... $45.92 \times 1\frac{1}{2} = 68.88 = \frac{68.88}{122.96} = 56.02\%$,

difference + 10.10.

The total passenger expense is 27.52% of the entire expense, $10,301,534.53 or $2,834,982.29, of which latter sum 10.10% ascertained as aforesaid, is $286,333.21 which would represent the extra cost.

9816 Ex. 99.

C., B. & Q. R. R. Co.

For State of Missouri.

State Business.

	Revenue per passenger per mile.
Year ending June 30, 1907	2.44 cents
" " " 30, 1908	1.26 "
Loss per passenger per mile	.48

Interstate Business.

	Revenue per passenger per mile.
Year ending June 30, 1907	2.10 cents
" " " 30, 1908	1.83 "
Loss per passenger per mile	.27

Passengers carried one mile in Missouri for year ending June 30, 1908, were State, 82,266,410 and Interstate 96,872,744.

Multiplying those figures respectively by .48 cents and .27 cents, being the actual loss per passenger per mile as shown by the above figure, we have

Total actual loss on State passengers	$394,676.77
" " " " Interstate passengers	261,556.41
" " " " All passengers	$656,435.18

9817 EXHIBIT 100.

C., B. & Q. R. Co.

Statement for 1907 *as to Freight.*

(1) The statement heretofore prepared for year ending June 30, 1908, left the freight undivided for the reason that the expense of keeping the statistics was so great and a full detailed account had been kept for the year 1905, that it was deemed unnecessary to incur the same for the second time. Practically the same result can be obtained as if a strict account had been kept by taking the same percentages as shown by the statement of 1905 and dividing the freight earnings and expenses of 1908, now undivided, in the pro-

portions thus taken. In the accounts of 1905, the following were the percentages:

Interstate freight was of all freight 80.33%; state freight was 19.67% of all freight. Of all earnings, interstate freight was 53.52% and state freight 13.11%, while all freight was 66.63%.

(2) As shown by the statement, all freight earnings were $8,035,229.51. Taking the percentages aforesaid, there should be divided

Interstate, 80.33%, or	$6,454,699.87
State, 19.67%, or	1,580,529.64
Total	$8,035,229.51
(3) The state freight earnings for 1908 are thus shown to be	$1,580,529.64
From this there should be deducted 19.67% of the Freight operating expenses, $6,720,721.42, or	$1,322,165.90
Leaving	$258,363.74
(4) From this sum thus left, there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the maximum rate act of 1907, equalling 7.4% of all state freight earnings, or	$117,388.07
Leaving	$140,975.67
(5) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, the extra cost would be 7.19% of freight operating expenses, exclusive of taxes, $6,565,963.35, or	$472,092.76
A deficit of	$331,117.09

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regardless of any return upon the value of the property.

If the extra cost be twice as much, then it would be 13.20% of said freight operating expenses, or	$866,707.60
If the extra cost be three times as much then it would be 22.67% of said operating expenses, or	$1,488,503.89

(6) The value of the entire property in the state should be ascertained and a further sum should be deducted equalling 6% annual interest upon that portion of the entire value equitably assignable to state traffic. 62.24% of all earnings were from freight; therefore, 65.24% of the entire value of the property should be assigned

as that portion of the property upon which the freight should earn 6%. As, under the statement for 1908, there has been no division as between state and interstate freight earnings, such division
9819 can be made according to the percentages shown in the statements for 1905. Therefore, 19.67% of the 65.24% can be well said to be assignable to the state freight.

This is 12.83% hence, such is the percentage of the entire value assignable to state freight traffic. This value may become unnecessary to determine, because the value fixed by the state board of equalization shows value sufficient for the purposes of this case. That assessment for 1908 was $17,724,302.61, upon the basis of one-third of the value as determined by that body. This makes a total value of $53,172,907.83, 12.83% of which equals $6,822,084.07. Upon this latter sum the company would be entitled to 6% annual interest, or $409,325.04.

9820 EXHIBIT 101.

C. B. & Q. R. Co.

Diminution in State Freight Earnings.

(1) The diminution in state freight earnings (Exhibit 6, Div. 8) in 1905, $1,649,665.75, if the maximum freight rates fixed by the act of 1905 had been charged, would have been $171,122.07, or 10.4% of all state freight earnings. If the effect of putting such rates in would have likewise reduced the interstate freight earnings for 1905, $6,735,454.71, the reduction at the same percentage, 10.4%, would have been $700,487.29.

(2) The total freight earnings for year ending June 30th, 1908, were $8,035,229.51. Dividing these in the same proportion as shown by actual figures for 1905, the result is

Interstate, 80.35%, or	$6,454,699.87
State, 19.67%, or	1,580,529.64
Total	$8,035,229.51

(3) The diminution in all state freight earnings in 1908, $1,756,-064.98, had there been charged the rates fixed by the act of 1907, would have been (Exhibit —) $117,388.07, or 7.4% of $1,580,-529.64. If the effect of putting in such rates would have been to likewise reduce the interstate freight rates, $6,454,699.87, the reduction would have been 7.4% thereof, or $477,647.79.

9821 EXHIBIT 102.

Chicago, Burlington and Quincy Railroad Company.

Total number of miles operated June 30, 1905..... 8,561.64
Miles operated in Missouri June 30, 1905..... 1,141.79

Statement of Earnings and Expenses in Missouri for the Year 1905.

Earnings.

	Local.	Interstate.	Total.
From Freight.....	$1,649,665.73	$6,735,454.71	$8,385,120.44
From Passenger.....	1,368,745.95	1,661,576.24	3,030,322.19
From Mail, Express, etc.....	553,582 75	615,582.26	1,169,165.01
Gross Earnings..	$3,571,994.43	$9,012,613.21	$12,584,607.64

Expenses.

Conducting Transportation.....	$3,862,015.99
Maintenance of Equipment.....	1,653,440.56
Maintenance of Road & Structures....	1,750,867.36
General Expenses.....	812,483.64
Taxes..	198,415.86
Proportion of Rental.....	2,893,614.75
Total Expenses.....	$11,170,838.16

Recapitulation.

Gross Earnings.....	$12,584,607.64
Gross Expenses.....	11,170,838.16
Net Earnings.....	$1,413,769.48

General Auditor's Office, Chicago, Sept. 20th, 1907.

9822 Chicago, Burlington and Quincy Railroad Company.

Earnings as Reduced Had Traffic of the Character Mentioned in the Act of 1905 *Been Carried at the Prices Therein Named with Amendments Under the Act of* 1907.

Total revenue received on local business of the classes mentioned in the Act of 1905.....	$526,532.72
Total which would have been received therefor had been charged the rates authorized by the Act of 1905, with amendments under the Act of 1907.....	409,144.65
Making a total diminution in revenue.....	$117,388.07

Reduction in percentages of the local business.....	22.29%
The total receipts from all local freight business in Missouri were less diminution in revenue as above..	$1,532,277.66
The expense of local freight business in Missouri computed upon the same basis as the total expenses, were.....	1,464,338.98
Net.....	$67,938.68

9823 Chicago, Burlington and Quincy Railroad Company.

Statement of C., B. & Q. Earnings in the State of Missouri,

And the effect of the proposed rates as specified in House Bills Nos. 208 and 35 on State Freight Traffic, with amendments under act of 1907.

Year 1905.

Commodities.	State C., B. & Q. earnings. At present rates.	At proposed rates.	Decrease.	% Decrease.
Grain.....	73,609.43	57,825.34	$15,784.09	21.44
Lime.....	7,356,67	3,767.21	1,589.46	21.60
Flour.....	7,022.73	5,411.35	1,611.38	22.94
Salt, Cement, etc.....	32,361.24	27,329.55	5,031.69	15.54
Lumber, Lath, Shingles.....	11,592.62	9,350.98	2,249.64	19.33
Agricultural Implements.....	1,899.36	1,365.07	534.29	28.13
Wagons	1,896.61	1,166.54	730.07	38.49
Furniture.....	4,720.44	2,963.22	1,757.22	37.22
Live Stock	373,372.55	290,569.91	82,802.64	22.18
Stone, etc.....	12,701.07	7,395.48	5,305.59	41.77
Total.....	$526,532.72	409,144.65	$117,388.07	22.29

Total local traffic.....	1,649,665.73
All interstate traffic in Missouri	6,735,454.71
Local and interstate.....	8,385,120.44

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Ex. 103.

No. 2988.

C., B. & Q. R. R.
vs.
HERBERT S. HADLEY et al.

The total freight earnings in Missouri, as per Ex. 98, and exclusive of miscellaneous freight earnings, were	$8,035,229.51
The Miscellaneous freight earnings (items not belonging definitely to freight divided on revenue train mileage basis) for the period covered by Ex. 98 were.	161,379.41
Making total freight earnings of	$8,196,608.92
Dividing these earnings on the percents shown in Ex. 100, would give State earnings of	$1,612,272.97
And Interstate earnings of	6,584,335.95
The total Operating Expenses shown in Exhibit 98 (not including taxes) were $10,320,922.41, of which freight should be charged with (see note 1)	$6,793,610.60
Dividing net rentals on the revenue train mileage basis would give, as a deduction from the freight expenses	127,864.22
Leaving total freight expenses, undivided between State and interstate, of	$6,665,746.38
If the figure, $6,665,746.38, be divided between State and Interstate on the basis of ton miles (see note 2) the charge to State freight would be	$707,902.27
And to Interstate freight	5,957,844.11
If the figures, $6,665,746.38, be divided between State and Interstate on the basis of State freight costing 30% more per ton mile than the interstate, the charge to State freight would be	$891,876.87
And to Interstate freight	5,773,869.51
If the figure, $6,665,746.38, be divided between State and Interstate on the basis of State freight costing 50% more per ton mile than Interstate, the charge to State freight would be	$1,007,860.85
And to Interstate freight	5,657,885.53

Summarizing the foregoing we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	$1,612,272.97	$6,584,335.95	$8,196,608.92
Expenses (state costing same as interstate per ton mile)	707,902.27	5,957,844.11	6,665,746.38
Net earnings	$904,370.70	$626,491.84	$1,530,862.54
Earnings	$1,612,272.97	$6,584,335.95	$8,196,608.92
Expenses (state costing 30% more than interstate per ton mile)	891,876.87	5,773,869.51	6,665,746.38
Net earnings	$720,396.10	$810,466.44	$1,530,862.54
Earnings	$1,612,272.97	$6,584,335.95	$8,196,608.92
Expenses (state costing 50% more than interstate per ton mile)	1,007,860.85	5,657,885.53	6,665,746.38
Net earnings	$604,412.12	$926,450.42	$1,530,862.54

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The net earnings on State freight on the various bases shown above were, respectively	$904,370.70	$720,396.10	$604,412.12
Deducting taxes	12,553.18	12,553.18	12,553.18
And diminution in revenue	112,533.71	112,533.71	112,533.71
Leaves balances applicable to value of property of	$779,283.81	$595,309.21	$479,325.23

The assessed value of the property in Missouri, including franchise, was for the year 1908	$17,724,302.61
Three times this figure would be	53,172,907.83
The State freight earnings shown above (1,612,272.97) were 13.09% of the gross earnings on all business; and 13.09% of $53,172,907.83 is	$6,960,333.63
$779,283.81, the balance applicable to property on the even cost basis, would be 11.19% on the above value of	$6,960,333.63

$595,309.21, the balance applicable to value of property on the 130% basis (state costing 30% more per ton mile than interstate) would be 8.55% on the above value of	$6,960,333.63
$179,325.23, the balance applicable to value of property on the 150 % basis (state costing 50 % more per ton mile than interstate) would be 6.88% on the above value of	$6,960,333.63

NOTE 1.—In arriving at the division of operating expenses between freight and passenger, all expenses which could be definitely allocated to freight and passenger were so assigned, and the common expenses were divided on a revenue train mileage basis.

NOTE 2.—The ton miles of state and interstate freight were arrived at by dividing the state and interstate freight earnings shown in Exhibit 100 by the revenue per ton per mile on the two classes of freight as shown by Exhibit 36 in the Burlington case (before the Master), the ton miles so arrived at being—

State	92,797,654 or 10.62 %
Interstate	780,967,921 or 89.38 %

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Ex. 104.

No. 2998.

C., B. & Q. R. R. Co.
vs.
HERBERT S. HADLEY et al.

The total passenger earnings in Missouri as shown by Exhibit 98, exclusive of miscellaneous passenger earnings, were		$3,389,491.19
Of which the earnings on State passengers were		1,611,702.92
And on Interstate passengers		1,777,788.27
The miscellaneous passenger earnings for the period covered by Exhibit 98 (items not belonging definitely to passenger divided on revenue train mileage basis) were		731,021.89
Of which there has been credited to State earnings		347,600.91
And to interstate earnings		383,420.98
Making the total State earnings		1,959,303.83
And the total Interstate earnings		2,161,209.25
The total operating expenses shown in Ex. 98 (exclusive of taxes) were $10,320,922.41, of which passenger should be charged with (see note 1)		3,527,311.81
Dividing net rentals on revenue train mileage basis would give, as a deduction from passenger expenses		128,736.67
Leaving total passenger expenses, undivided between State and Interstate, of		$3,398,575.14

If the figure, $3,398,575.14, be divided between State and Interstate on the basis of passenger miles, the charge to State passenger business would be.....	1,560,625.70
And to Interstate.....	1,837,949.44
If the figure, $3,398,575.14, be divided between State and Interstate on the basis of State passengers costing 10% less per passenger mile than Interstate, the charge to State passenger business would be.....	1,463,702.60
And to Interstate.....	1,934,872.54
If the figure, $3,398,575.14, be divided between State and Interstate on the basis of State passengers costing 20% less per passenger mile than Interstate, the charge to State passenger business would be.....	1,374,723.64
And to Interstate.....	2,023,851.50

Summarizing the foregoing figures we find the results to be as follows:

	State.	Interstate.	Total.
Earnings.....	$1,959,303.83	$2,161,209.25	$4,120,513.08
Expenses (State costing same as Interstate per passenger mile)..	1,560,625.70	1,837,949.44	3,398,575.14
Net earnings.....	398,678.13	323,259.81	721,937.94
Earnings.....	1,959,303.83	2,161,209.25	4,120,513.08
Expenses (State costing 10% less per passenger mile than Interstate).....	1,463,702.60	1,934,872.54	3,398,575.14
Net earnings.....	495,601.23	226,336.71	721,937.94

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Earnings.....	$1,959,303.83	$2,161,209.25	$4,120,513.08
Expenses (State costing 20% less than interstate per passenger mile).....	1,374,723.64	2,023,851.50	3,398,575.14
Net earnings.....	584,580.19	137,357.75	721,937.94
The net earnings on State passenger business on the various bases shown above were, respectively.....	$398,678.13	$495,601.23	$584,580.19
Deducting taxes.....	54,649.29	54,649.29	54,649.29
Leaves balances applicable to value of property of.....	$344,028.84	$440,951.94	$529,930.90

The assessed value of the property in Missouri, including franchise, was for the year 1908..... $17,724,302.61
Three times this figure would be..... 53,172,907.83
The State passenger earnings shown above (1,959,303.83) were 15.91% of the gross earnings on all business; and 15.91% of $53,172,907.83 is... $8,459,809.64
$344,028.84, the balance applicable to value of property on the even-cost basis, would be 4.06% on the above value of..... $8,459,809.64
$440,051.94, the balance applicable to value of property on the 90% basis (State costing 10% less per passenger mile than the interstate) would be 5.22% on the above value of..... $8,459,809.64
$529,930.90, the balance applicable to value of property on the 80% basis (State costing 20% less per passenger mile than the interstate) would be 6.27% on the above value of..... $8,459,809.64

The passenger miles used in the above calculations are the figures shown in Exhibit 98, namely:

State..... 82,266,410 or 45.92%
Interstate..... 96,872,744 or 54.08%

NOTE 1.—In arriving at the division of operating expenses between freight and passenger, all expenses which could be definitely allocated to freight and passenger were so assigned, and the common expenses were divided on a revenue train mileage basis.

9828 EXHIBIT 105.

Summary of Burlington Miscellaneous Freight and Passenger Earnings and Expenses.

Earnings.

	State.	Interstate.	Total.
Freight	$1,580,529.64	$6,454,699.87	$8,035,229.51
Miscellaneous	19.67% or $31,743.33—80.33% or 129,636.08		161,379.41
			$8,196,608.92
Passenger	$1,611,702.92	$1,777,788.27	$3,389,481.19
Mail and Express	347,600.91	383,420.98	731,021.89
			$4,120,503.08

Expenses.

Freight—Miscellaneous..... $6,793,610.60
Passenger—Mail and Express..... $3,527,311.81

These expenses are before taking out rentals.

9829 EXHIBIT I.

Statement of the Chicago Great Western Railway Company as to Missouri Earnings and Expenses for July to December, 1907, Inclusive.

(1) In the next two paragraphs hereof there is produced a statement showing the Missouri earnings and operating expenses of the company for the months of July to December, 1907. This statement shows (*a*) the receipts from state and interstate business which is a matter of actual ascertainment; (*b*) the expenses apportioned as between passenger and freight and between States according to the formula herewith presented as Exhibit 2; (*c*) the more difficult matter, i. e., the apportionment of the expenses as between interstate and state business is not provided for, as the court must determine in which way this should be done whether upon the revenue or some other basis.

(2) Earnings.

	Interstate.	State.	Total.
Freight	$224,169.58	$29,129.36	$253,298.94
Miscellaneous (undivided as between state and interstate			7,280.24
Total, Freight			$260,579.18
Passenger	72,360.87	38,105.03	110,465.90
Mail, Express and Miscellaneous (undivided as between state and interstate)			19,643.99
			$130,109.89
Total, Passenger			390,689.07

Inasmuch as differences might arise between complainant and the state as to the method of apportioning miscellaneous freight, and mail, express and miscellaneous passenger earnings, and as no question as to such earnings is here involved, same have, to avoid confusion and unnecessary controversy, been left undivided as between state and interstate earnings.

9830 (3) Expenses (Undivided as Between State and Interstate).

	Freight.	Passenger.
Maint. of W. & S.	$35,499.50	$28,916.22
Maint. of Equip.	41,311.78	18,370.59
Traffic Expenses	8,881.93	10,781.33
Transportation Expenses	102,541.51	62,719.92
General Expenses	7,075.69	6,504.10
Total Operating Expenses	$195,310.41	$127,292.16
Taxes (Actual)	3,961.59	3,645.15
Rentals	8,332.59	7,667.01
Hire of Equipment	3,577.28	936.28
Total	$15,871.46	$10,375.88
Grand Total	$211,181.87	$137,668.14

(4) Percentages (the Percentages Ascertained from Above Figures).

Character.		Per cent. of freight earnings.	Per cent. of all earnings.
Interstate freight	$224,169.58	66.02	57.39
State freight	29,129.36	11.18	7.45—
Miscellaneous	7,280.24	2.80	1.86+
Total	$260,579.18	100.00	

		Per cent. of passenger earnings.	
Interstate passenger	$72,360.87	55.62	18.53—
State passenger	38,105.03	29.28	9.75—
Mail, Express and Miscellaneous	19,643.99	15.10	5.02—
Total	$130,109.69	100.00	100.00
Grand Total	$390,689.07		

(5) State Freight Expenses.

The total freight operating expenses (undivided as between state and interstate business) including taxes and rentals, but exclusive of interest, are $211,181.87, of which upon a revenue basis, the Interstate freight is 86.02% or $181,658.54 and State Freight is 11.18% or 23,610.13.

9831 (6) Summary.

(*a*) The State freight earnings as above shown are.....	$29,129.36
From which should be deducted operating expenses as aforesaid	23,610.13
Leaving.....	$5,519.23
(*b*) From this there should be deducted the diminution in state freight earnings which would have existed had there been charged the rates fixed by the Maximum Freight Act of 1907, which, as shown by Exhibit 3, hereto attached, is.....	1,893.41
Leaving	$3,626.82

(*c*) From this should be deducted such a sum as the court may find would represent the extra cost of doing state business. If this cost were 50% more, this would be 4.55% of all freight expenses (not including Taxes and Rentals) $198,887.69 or $9,347.72; is twice as much, 8.95% of all freight expenses, (not including Taxes and Rentals) or $17,800.45; If three times as much, 16.23% of all freight expenses, (not including Taxes and Rentals—or $32,279.47; all as shown by Exhibit 4 hereto attached.

(*d*) From the sum this left there should be deducted interest upon the Missouri proportion of the outstanding notes and 4% Debenture Stock, upon that part of the road devoted to State freight business. The Missouri freight proportion on a revenue basis is 7.45%. This percentage of interest for six months, $96,162.19, equals $7,104.08, leaving a deficit of $—.

(*e*) From this sum should also be deducted a sum equalling 6% annual interest upon 7.45% of the actual value of the Road in Missouri, over and above the Missouri proportion of the Debenture Stock and Notes outstanding, or $—. This would leave $—.

This latter sum will represent the actual loss upon the State freight business.

9832 (*f*) If, however, the court should determine that the value of the property upon which the company is entitled to a return, should be ascertained regardless of the notes and outstanding stock, then there must be ascertained the value of the entire property in the state, and the further sum to be deducted would be 6% annual interest upon 7.45% of the entire property, $—, or $—.

(*g*) This value may become unnecessary to determine, as a deficit may appear from the state's own valuation. The assessment of the state board for 1907 was $13,422.00 per mile, or $1,201,745.46 for the state, at one-third of its actual value. So the state by action of its taxing board has practically conceded the total valuation of $3,605,236.38 6% annual interest upon 7.45% of which value is $8,057.70. So this the company would be entitled to.

If, however, the court should find the actual value to be in excess of the state board's valuation, then there should be added 6% annual interest upon 7.45% of this additional value so found, or $—.

(7) Passenger earnings and expenses.

(*a*) The total passenger earnings, including mail, express and miscellaneous, as above shown, are $130,109.89, and the state passenger earnings, $38,105.03, while the expenses including taxes and rentals, undivided as between state and interstate, are $137,668.14, of which, upon a revenue basis, the interstate passenger expenses are 55.62% of all, or $76,571.02; state expenses 29.28%, or $40,309.23.

(*b*) The state passenger earnings as already shown are.	$38,105.03
From which there should be deducted for expenses, exclusive of interest	40,309.23
Leaving a deficit of.....	$2,204.20

(*c*) From this should be deducted the extra cost of doing the state passenger business ascertained in the same way as the extra cost of state freight. If this extra cost be ascertained upon a revenue basis then as shown by xhibit 5, if the extra cost be 15, 25, 35, or 50%, this would equal these percentages of $126,355.88, all
9833 passenger expense; not including taxes and rentals.

At 15% increased cost, 2.98% or $3,765.40
At 25% increased cost, 4.82% or 6,093.35
At 35% increased cost, 6.58% or 8,314.21
At 50% increased cost, 9.03% or 11,409.93

(*d*) There should also be added to this deficit interest upon the Missouri proportion of the outstanding notes and 4% Debenture Stock upon that part of the road devoted to State passenger business, or 9.75%. Upon a revenue basis of such interest, $96,162.19 equals $9,375.81.

(*e*) If, however, the court should determine that the value of the property upon which the company is entitled to a return should be ascertained regardless of the notes and outstanding stock, then there must be ascertained the value of the entire property in the State, and the further sum to be deducted would be 6% annual interest upon 9.75% of such entire value, or $—.

(*f*) This value may become unnecessary to determine, as a deficit upon passenger business is shown regardless of any return upon the value, and as to the freight, the value fixed by the State Board of Equalization shows the rate to be confiscatory. The assessment for 1907 was $1,201,745.46, and this was, as will be conceded by the State, upon one-third of the value as determined by that body. This makes a valuation of $3,605,236.38. The Company would be entitled to 6% annual interest upon 9.75% proportion of entire revenue of such value, or $10,645.31.

9834 EXHIBIT No. 2.

Chicago Great Western Railway Company.

Formula for Division of Operating Expenses, Taxes, Rentals, and Interest Between States as Follows.

Account.	Basis.
Maintenance of Way and Structures	Road Mileage
Maintenance of Equipment	Revenue Train Mileage
Traffic Expenses	Revenue Train Mileage
Transportation Expenses	Revenue Train Mileage
General Expenses	Revenue Train Mileage

Taxes:

Actual taxes paid to the State for year 1907. Divided between Freight and Passenger on basis of Revenue Train Mileage.

Rental of Tracks:

Actual by location. Divided between Freight and Passenger on basis of Revenue Train Mileage.

Hire of Equipment:

Divided on basis of Revenue Train Mileage.

Interest on Debenture Stock and Loans:

Divided between states on Road Mileage basis.

Freight, Passenger, Mail, Express, and Various Other Miscellaneous Revenue Accounts Divided Between States as Follows.

Freight Revenue—Passenger Revenue:

Revenue wholly within the State is credited to the State under Intrastate Revenue. Revenue from Freight and Passengers moving partly in Missouri and partly in other states is divided between the states on a mileage pro rate.

Excess Baggage Revenue—Chair & Parlor Car Revenue:

Revenue wholly within the State is credited to the State under Intrastate Revenue. Revenue from business moving partly in Missouri and partly in other states is divided between states on a mileage pro rate.

Mail Revenue:

Divided into mail routes on basis of contract with the Government. Where mail route is entirely within the State of Missouri the revenue from such route is credited to the State of Missouri. Where route is in Missouri and another state revenue is divided on a basis of Road Mileage.

9835 Express Revenue:

Divided on basis of Revenue Train Mileage.

Switching Revenue—Car Service—Storage of Freight—Storage of Baggage:

Localized.

9836 EXHIBIT 3.

Statement of the Chicago Great Western Railway Company Showing Decrease in Revenue That Would Have Resulted Had the Rates Authorized by the Maximum Freight Law of 1907 *Been in Effect.*

Earnings from State freight for the three months ending Sept. 30th, 1907	$13,522.99
Earnings on Commodities affected by the Act of 1907	7,817.28
Revenue that would have been earned on the same commodities if rates authorized by the Act of 1907 had been in effect	6,928.61
Decrease in Revenue for the three months	$888.67
Percentage of decrease on commodities affected	11.3%
Percentage of decrease on Total State Revenue	6.5%
Earnings from State freight for the six months ending Dec. 31st, 1907	$29,129.36
Decrease in revenue for six months ending Dec. 31st, 1907, if rates authorized by the Act of 1907 had been in effect	$1,893.41

9837 EXHIBIT 4.

(*a*) Upon the basis of the extra cost of state freight business being 50% more than interstate, the result would be:

Interstate ..... $86.02 \times 1 = 86.02 = \frac{86.02}{105.59} = 81.47$,

difference—4.55.

State ..... $11.18 \times 1\frac{1}{2} = 16.77 = \frac{16.77}{105.59} = 15.88$,

difference + 4.70.

Miscellaneous ..... $\frac{2.80}{100.00} \times 1 = \frac{2.80}{105.59} = \frac{2.80}{105.59} = \frac{2.65}{100.00}$,

difference—.15.

The extra cost then is 4.70% of all freight expense, (not including taxes and rentals), $198,887.69 or $9,347.72.

(*b*) Upon the basis of two times interstate:

Interstate ..... 86.02 x 1 = 86.02 = $\frac{86.02}{111.18}$ = 77.35,

difference—8.67.

State ..... 11.18 x 2 = 22.36 = $\frac{22.36}{111.18}$ = 20.13,

difference + 8.95.

Miscellaneous ..... $\frac{2.80 \times 1}{100.00}$ = $\frac{2.80}{111.18}$ = $\frac{2.80}{111.18}$ = $\frac{2.52}{100.00}$

difference—.28.

The extra cost then is 8.95% of all freight business, (not including taxes and rentals), $198,887.69 or $17,800.43.

(*c*) Upon the basis of three times interstate:

Interstate ..... 86.02 x 1 = 86.02 = $\frac{86.02}{122.36}$ = 70.30,

difference—15.72.

State ..... 11.18 x 3 = 33.54 = $\frac{33.54}{122.36}$ = 27.41,

difference + 16.23.

Miscellaneous ..... $\frac{2.80 \times 1}{100.00}$ = $\frac{2.80}{122.36}$ = $\frac{2.80}{122.36}$ = $\frac{2.29}{100.00}$,

difference—.51.

The extra cost then is 16.23% of all freight expenses, (not including Taxes and Rentals), $198,887.69 or $32,279.47.

9838 EXHIBIT 5.

If the extra cost of doing state passenger business be ascertained upon the revenue basis, then the result is:

(a) At 15%.

Interstate ..... $55.62 \times 1 = 55.62 = \frac{55.62}{104.39} = 53.28$,

difference—2.34.

State ..... $29.28 \times 1.15 = 33.67 = \frac{33.67}{104.39} = 32.26$,

difference + 2.98.

Miscellaneous..... $\frac{15.10 \times 1}{100.00} = \frac{15.10}{104.39} = \frac{15.10}{104.39} = \frac{14.46}{100.00}$,

difference—.64.

The extra cost then is 2.98% of $126,356.80, or $3,765.40.

(b) At 25%.

Interstate ..... $55.62 \times 1 = 55.62 = \frac{55.62}{107.32} = 51.83$,

difference—3.79.

State ..... $29.28 \times 1.25 = 36.6\% = \frac{36.60}{107.32} = 34.10$,

difference + 4.82.

Miscellaneous..... $\frac{15.10 \times 1}{100.00} = \frac{15.10}{107.32} = \frac{15.10}{107.32} = \frac{14.07}{100.00}$,

difference—1.03.

The extra cost then is 4.82% of $126,355.80 or $6,090.35.

(c) At 35%.

Interstate ..... $55.62 \times 1 = 55.62 = \frac{55.62}{110.25} = 50.44$,

difference—5.18.

State ..... $29.28 \times 1.35 = 39.53 = \frac{39.53}{110.25} = 35.86$,

difference + 6.58.

Miscellaneous..... $\frac{15.01 \times 1}{100.00} = \frac{15.10}{110.25} = \frac{15.10}{110.25} = \frac{13.70}{100.00}$,

difference—1.40.

The extra cost then is 6.58% of $126,355.80.

(*d*) At 50%.

Interstate ..... $55.62 \times 1 = 55.62 = \frac{55.62}{114.64} = 48.52$,

difference—7.10.

State ..... $29.28 \times 1.50 = 43.92 = \frac{43.92}{114.64} = 38.31$,

difference + 9.03.

Miscellaneous..... $\frac{15.10 \times 1}{100.00} = \frac{15.10}{114.64} = \frac{15.10}{114.64} = \frac{13.17}{100.00}$,

difference—1.93.

The extra cost then is 9.03 of $126,355.80 or $11,409.93.

9839 EXHIBIT No. 107.

Statement of the Chicago Great Western Railway Company Showing

	Passengers one mile.	Revenue.	Average rate per passenger mile.
June 19-Sept. 18, 1906.....	3,122,815	$60,481.57	$1.939
June 19-Sept. 18, 1907.....	3,160,643	44,798.38	1.417

Revenue Which Would Have Been Received if We Applied to the Passengers One Mile June 19th to Sept. 18th, 1907, the Average Rate Per Passenger Mile Which Obtained June 19th to Sept. 18th, 1906.

	Passengers one mile.	Average rate per passenger mile.	Revenue.
June 19-Sept. 18, 1907.....	3,160,643	1.939	$61,284.87
Revenue which we received June 19 to Sept. 18, 1907.		.....	44,798.38
Loss			$16,486.49
Percent loss			27%

9840 EX. 108.

3003.

CHICAGO GREAT WESTERN RAILWAY
vs.
HERBERT S. HADLEY et al.

The revenue on state passengers as shown by Exhibit 106 amounted to	$38,105.03
And on interstate passengers.....	72,360.87
The miscellaneous passenger earnings (maio, express, extra baggage, etc.) amounting to $19,643.99, if divided on the basis of state and interstate passenger revenue would add to the state earnings.....	6,777.18
And to the Interstate earnings.....	12,866.81
Making the total state earnings.....	44,882.21
And the total Interstate earnings.....	85,227.68

The total passenger expenses as shown in Exhibit 106 amounted to	137,668.04
Deducting taxes, $3,645.15, and rentals, $7,667.01, would leave	126,355.88
If the figure, $126,355.88, be divided between state and interstate on the basis of passenger miles (see Note 1), the charges to state business will be	40,509.70
And to interstate business	85,846.18
If the figure, $126,355.88, be divided between state and interstate on the basis of state passengers costing 10% less per passenger mile than the interstate the amount to be charged against state business will be	37,666.69
And against interstate business	88,689.19
9841 If the figure, $126,355.88 be divided between state and interstate on the basis of state passenger costing 20% less per passenger mile than interstate, the amount to be charged to state business would be	34,545.70
And to interstate business	91,810.18

Summarizing the following figures we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	44,882.21	85,227.68	130,109.89
Expenses (state costing same as interstate per passenger mile	40,509.70	85,846.18	126,355.88
Net Earnings	4,372.51	.....	3,754.01
Deficit	.....	618.50	.....
Earnings	44,882.21	85,227.68	130,109.89
Expenses (state costing 10% less than interstate per passenger mile)	37,666.69	88,689.19	126,355.88
Net Earnings	7,215.52	.....	3,754.01
Deficit	.....	3,461.51	.....
Earnings	48,882.21	85,227.68	130,109.89

Expenses (state costing 20% less than interstate per passenger mile)	34,545.70	91,810.18	126,355.88
Net Earnings	10,336.51	.....	3,754.01
Deficit	.....	6,582.50	.....

9842	1st basis.	2nd basis.	3rd basis.
The net earnings on state business, on the various bases shown above, were respectively	4,372.51	7,215.52	10,336.51
Taxes and rentals, deducted	3,626.67	3,626.67	3,626.67
Balance applicable to value of property	745.84	3,588.85	6,709.84

The assessed value of property in Missouri including franchise, was, for the year 1907.....	$1,201,745.46
Three times this figure would be.....	3,605,236.38
The state passenger earnings shown above were 11.48% of the gross earnings in the state on all business; and 11.48% of $3,605,236.38 is.....	413,881.14
One-half of this amount (on which the balances applicable to value of property should be applied) would be	206,940.57

$745.84 the balance applicable to value of property on the even cost basis, would be 36/100 of one per cent on the above value of $206,940.57.

$3,588.85, the balance applicable to value of property on the 90% basis (state costing 10% less per passenger mile than the interstate) would be 1.68% on the above value of $206,940.57.

$6,709.84, the balance applicable to value of property on the 80% basis (state costing 20% less per passenger mile than the interstate) would be 3.24% on the above value of $206,940.57.

NOTE 1.—The passenger miles used in the above calculations have been arrived at by using the average passenger mile earnings—state and interstate—of the Frisco R. R. as shown by Exhibit 2, and are as follows:

State.....	1,974,353, or 32.06%
Interstate.....	4,182,708, or 67.94%

9843

Ex. 109.

3003.

CHICAGO GREAT WESTERN RAILWAY
vs.
HERBERT S. HADLEY et al.

The revenue on state freight as shown by Exhibit 106 amounted to	$29,129.36
And on interstate freight	224,169.58
The miscellaneous freight earnings (switching, demurrage, storage, etc.) amounting to $7,280.24, if divided on the basis of state and interstate freight revenue would add to the state earnings	837.23
And to the interstate earnings	6,443.01
Making the total state earnings	29,966.59
And the total interstate earnings	230,612.59
The total freight expenses as shown in Exhibit 106 amounted to	211,181.87
Deducting taxes, $3,961.59 and rentals, $8,332.59, would leave	196,887.69
If the figure, $198,887.69, be divided between state and interstate on the basis of ton miles (see note 1), the charge to state business will be	13,723.25
And to interstate business	185,164.44
If the figure, $198,887.69, be divided between state and interstate on the basis of state costing 30% more per ton mile than the interstate, the amount to be charged against said business will be	17,760.67
And against interstate business	181,127.02
9844 If the figure, $198,887.69, be divided between state and interstate on the basis of state freight costing 50% more per ton mile than the interstate, the amount to be charged to state business would be	19,888.77
And to interstate business	178,998.92

Summarizing the foregoing we find the results to be as follows:

	State.	Interstate.	Total.
Earnings	$29,966.59	230,612.59	260,579.18
Expenses (state costing same as interstate per ton mile.	13,723.25	185,164.44	198,887.69
Net Earnings	16,243.34	45,448.15	61,691.49
Earnings	$29,966.59	230,612.59	260,579.18
Expenses (state costing 30% more than interstate per ton mile)	17,760.67	181,127.02	198,887.69
Net Earnings	12,205.92	49,485.57	61,691.49
Earnings	29,966.59	230,612.59	260,579.18
Expenses (state costing 50% more than interstate per ton mile)	19,888.77	178,998.92	198,887.69
Net Earnings	10,077.82	51,613.67	61,691.49

	1st basis.	2nd basis.	3rd basis.
The net earnings on state business, on the various bases shown above, were respectively	16,243.34	12,205.92	10,077.82
From which deduct taxes and rentals	848.30	848.30	848.30
Also diminution in revenue	1,893.41	1,893.41	1,893.41
Leaving balance applicable to value of property	13,501.63	9,464.21	7,336.11

9845 The assessed value of the property in Missouri, including franchise, was, for the year 1907. $1,201,745.46

Three times this figure would be 3,605,236.38

The state freight earnings shown above were 7.67% of the gross earnings on all business; and 7.67% of $3,605,236.38 is 276,521.63

One-half of this amount (on which the balance applicable to value of property should be applied) would be 138,260.82

$13,501.63, the balance applicable to value of property on the even cost basis, would be 9.76% of the value of $138,260.82.

$9,464.21, the balance applicable to value of property on the 130% basis (state costing 30% more per ton mile than interstate) would be 6.84% on the above value of $138,260.82.

$7,336.11, the balance applicable to value of property on the 150% basis (state costing 50% more per ton mile than interstate) would be 5.30% on the above value of $138,260.82.

NOTE 1.—The ton miles used in the above calculation have been arrived at by using the average ton-mile earnings—State and Interstate—of the Frisco R. R. as shown by Exhibit 2, and are as follows:

State	1,675,043	or 6.9%
Interstate	22,283,200	or 93.1%

9846 Exhibits 54, 59, 7, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 4 referred to in the certificate of the Trial Judge are set out in the foregoing copies of exhibits.

Exhibits A, B, C, D, E, F, G, H and I and Exhibits Douglas I, referred to in said certificate of the Trial Judge, are in the words and figures following, to-wit:

ST. LOUIS & HANNIBAL RAILWAY (PERRY BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property." No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Buildings. Valuation in subdivision.	Valuation in county.	Totals. Value in subdivision.	Value in county.
Ralls			18.28	$3,910		$71,474 80		$1,000 00		$72,474 80
	Spencer		6.30	3,910	$24,633 00		$300 00		$24,633 00	
	Centre		6.30	3,910	24,633 00		700 00		24,933 00	
	Salt River		5.68	3,910	22,208 80		300 00		22,908 80	
		Centre	.61	3,910	2,385 10		500 00		2,685 10	
		Perry	.80	3,910	3,128 00				3,628 00	
Totals						$71,474 80		$1,000 00		$72,474 80

ITEMIZED STATEMENT.

Length of road in State of Missouri	18.28	
18.28 miles rolling st[illegible] $853.6108 per mile		
18.28 miles road-bed [illegible]uperstructure at $2,800 per mile	$15,604 [illegible]	
Buildings on right of w[illegible]	51,184 00	
"All other property at [illegible]02 per mile	1,000 00	
	4,686 80	
Total		$72,474 80

9847

STATE BOARD OF EQUALIZATION.

Ex "A"

P 202 to 241 inclusive

5121 201

5122

9847/4

ST. LOUIS & SAN FRANCISCO RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the St. Louis & San Francisco Railroad Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
St. Louis City			6.44	$17,665		$113,762 60		$56,000 00		$169,762 60
	Old Limits		1.22	17,665	$21,551 30		$53,000 00		$74,551 30	
St. Louis Co.	New Limits		5.22	17,665	92,211 30		3,000 00		95,211 30	
	Carondelet		26.46	17,665		467,415 90		5,600 00		473,015 90
	Bonhomme		4.75	17,665	83,908 75		1,400 00		85,308 75	
	Meramec		11.67	17,665	206,150 55		3,200 00		209,350 55	
		Webster	10.04	17,665	177,353 60		1,000 00		178,353 60	
		Pacific	2.49	17,665	43,985 85		300 00		44,285 85	
Franklin			.25	17,665	4,416 25				4,416 25	
	Boles		34.86	17,665		615,801 90		5,800 00		621,601 90
	Calvey		2.63	17,665	46,458 95		1,400 00		47,858 95	
	Central		8.92	17,665	157,571 80		600 00		158,171 80	
	Meramec		14.57	17,665	257,379 05		2,600 00		259,979 05	
		Pacific	8.74	17,665	154,392 10		1,200 00		155,592 10	
		St. Clair	.81	17,665	14,306 65		1,400 00		15,706 65	
		Sullivan	.64	17,665	11,305 60		900 00		12,205 60	
		Moselle	.60	17,665	10,599 00		900 00		11,499 00	
Crawford			.48	17,665	8,479 20		600 00		9,079 20	
	Boone		26.01	17,665		459,466 65		2,000 00		461,466 65
	Liberty		8.48	17,665	149,799 20		500 00		150,299 20	
	Benton		2.64	17,665	46,635 60		500 00		47,135 60	
	Knob View		10.49	17,665	185,305 85		1,000 00		186,305 85	
		Cuba	4.40	17,665	77,726 00				77,726 00	
Phelps			.94	17,665	16,605 10		1,000 00		17,605 10	
	St. James		32.58	17,665		575,525 70		3,500 00		579,025 70
	Dillon		6.75	17,665	119,238 75		550 00		119,788 75	
	Rolla		6.92	17,665	122,241 80				122,241 80	
	Arlington		8.33	17,665	147,149 45		1,450 00		148,599 45	
		St. James	10.58	17,665	186,895 70		1,500 00		188,395 70	
		Rolla	1.00	17,665	17,665 00		550 00		18,215 00	
		Newburg	.70	17,665	12,365 50		1,450 00		13,815 50	
Pulaski			.58	17,665	10,245 70		1,200 00		11,445 70	
	Union		32.66	17,665		576,938 90		3,100 00		580,038 90
	Tavern		15.77	17,665	278,577 05		1,500 00		280,077 05	
	Liberty		7.05	17,665	124,538 25		800 00		125,338 25	
			9.84	17,665	173,823 60		800 00		174,623 60	
		Dixon	.52	17,665	9,185 80		800 00		9,985 80	

Camden		Richland	1.16	17,665	20,491 40		700 00		21,191 40	
			3.50	17,665		61,827 50		700 00		62,527 50
	Auglaize		3.50	17,665	61,827 50		700 00		62,527 50	
		Stoutland	.33	17,665	5,829 45		700 00		6,529 45	
Laclede			36.35	17,665		642,122 75		2,700 00		644,822 75
	Mayfield		4.63	17,665	81,788 95				81,788 95	
	Smith		3.63	17,665	64,123 95				64,123 95	
	Auglaize		3.52	17,665	62,180 80				62,180 80	
	Lebanon		12.89	17,665	227,701 85		1,700 00		229,401 85	
	Union		11.68	17,665	206,327 20		1,000 00		207,327 20	
		Lebanon	1.70	17,665	30,030 50		1,100 00		31,130 50	
		Conway	.50	17,665	8,832 50		800 00		9,632 50	
Webster			25.20	17,665		445,158 00		2,100 00		447,258 00
	Washington		4.97	17,665	87,795 05				87,795 05	
	Union		1.53	17,665	27,027 45				27,027 45	
	Ozark		11.48	17,665	202,794 20		2,100 00		204,894 20	
	Grant		7.22	17,665	127,541 30				127,541 30	
		Marshfield	1.03	17,665	18,194 95		1,000 00		19,194 95	
Greene			29.06	17,665		513,344 90		15,900 00		529,244 90
	Jackson		5.87	17,665	103,693 55		1,000 00		104,693 55	
	Campbell		12.50	17,665	220,812 50		14,000 00		234,812 50	
	Center		1.16	17,665	20,491 40				20,491 40	
	Brookline		4.76	17,665	84,085 40		450 00		84,535 40	
	Republic		4.77	17,665	84,262 05		450 00		84,712 05	
		Springfield	3.30	17,665	58,294 50		14,000 00		72,294 50	
		Republic	1.02	17,665	18,018 30		400 00		18,418 30	
Christian			7.76	17,665		137,080 40		1,000 00		138,080 40
	Polk		7.76	17,665	137,080 40		1,000 00		138,080 40	
		Billings	.69	17,665	12,188 85		1,000 00		13,188 85	
Lawrence			22.29	17,665		393,752 85		4,500 00		398,252 85
	Buck Prairie		4.93	17,665	87,088 45		500 00		87,588 45	
	Aurora		3.99	17,665	70,483 35		1,850 00		72,333 35	
	Spring River		7.56	17,665	133,547 40		800 00		134,347 40	
	Pierce		5.81	17,665	102,633 65		1,350 00		103,983 65	
		Marionville	1.56	17,665	27,557 40		500 00		28,057 40	
		Aurora	2.00	17,665	35,330 00		1,850 00		37,180 00	
		Pierce City	1.26	17,665	22,257 90		1,350 00		23,607 90	
Barry			6.10	17,665		107,756 50		4,000 00		111,756 50
	Kings Prairie		3.43	17,665	60,590 95				60,590 95	
	Copps Creek		2.67	17,665	47,165 55		4,000 00		51,165 55	
		Monett	1.00	17,665	17,665 00		4,000 00		21,665 00	
Newton			35.75	17,665		631,523 75		3,000 00		634,523 75
	Van Buren		8.29	17,665	146,442 85		400 00		146,842 85	
	Granby		6.64	17,665	117,295 60		400 00		117,695 60	
	Neosho		11.79	17,665	208,270 35		1,100 00		209,370 35	
	Dayton		4.55	17,665	80,375 75		600 00		80,975 75	
	Seneca		4.48	17,655	79,139 20		500 00		79,639 20	
		Neosho	1.33	17,655	23,494 45		1,100 00		23,594 45	
		Seneca	1.14	17,665	20,138 10		800 00		20,938 10	
		Granby	.25	17,665	4,416 25		400 00		4,816 25	
Totals						$5,741,478 30		$109,900 00		$5,851,378 30

9847½

5123 203

ITEMIZED STATEMENT.

Length of road in State of Missouri	1,081.57
Length of road in other States	3,307.62
Total	4,389.19
ROLLING STOCK.	
728 locomotives at $4,000	$2,912,000 00
170 passenger cars at $2,250	382,500 00
60 chair cars at $3,500	210,000 00
137 combination cars at $1,500	205,500 00
35 postal cars at $2,000	70,000 00
9 official cars at $5,000	45,000 00
2 dining cars at $5,000	10,000 00
1 cafe library car at $5,000	5,000 00
7 cafe observation cars at $5,000	35,000 00
10,731 box cars at $250	2,682,750 00
619 stock cars at $250	154,750 00
9,016 coal cars at $200	1,803,200 00
905 flat cars at $200	181,000 00
137 fruit cars at $250	34,250 00
29 refrigerator cars at $350	10,150 00
850 furniture cars at $250	212,500 00
3 powder cars at $250	750 00
148 coke cars at $200	29,600 00
4 steam wreckers at $1,500	6,000 00
10 derrick cars at $450	4,500 00
8 pile drivers at $1,000	8,000 00
6 steam shovels at $1,500	9,000 00
3 ditchers at $650	1,950 00
5 ballast spreaders at $250	1,250 00
5 plow cars at $500	2,500 00
2 ballast unloaders at $400	800 00
1 rail unloader at $400	400 00
2 gas tank cars at $400	800 00
32 water cars at $250	8,000 00
183 tool cars at $250	45,750 00
218 boarding cars at $250	54,500 00
2 supply cars at $250	500 00
249 ballast cars at $200	49,800 00
291 cinder cars at $200	58,200 00
8 ice cars at $250	2,000 00
341 caboose cars at $400	136,400 00
Total rolling stock used over 4,389.19 miles	$9,374,300 00
3,307.62 miles rolling stock to other States at $2,135.7699 per mile	7,064,315 34
Proportion of rolling stock to this State	$2,309,984 66
756.55 miles rolling stock to branches and leased lines, this State, at $2,135.7699 per mile	1,615,816 72
Proportion of rolling stock to main line, this State	$694,167 94

9.238 standard Pullman sleeping cars at $6,500	60,047 00	
Total rolling stock to main line, this State, at $2,320.5185 per mile	$754,214 94	
325.02 miles road-bed and superstructure at $11,500 per mile	3,737,730 00	
Buildings on right of way	109,900 00	
"All other property" at $3,844.4815 per mile	1,249,533 36	
Total		$5,851,378 30

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VERTICAL IN BOOK

ST. LOUIS & SAN FRANCISCO RAILROAD (ARKANSAS & OKLAHOMA BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
McDonald			2.31	$3,521		$8,133 51		$500 00		$8,633 51
	Prairie		2.31	3,521	$8,133 51		$500 00		$8,633 51	
		Southwest City	.50	3,521	1,760 50		500 00		2,260 50	
Totals						$8,133 51		$500 00		$8,633 51

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ITEMIZED STATEMENT.

Length of road in State of Missouri	2.31	
2.31 miles rolling stock at $2,135.7699 per mile	$4,933 63	
2.31 miles road-bed and superstructure at $1,385.2301 per mile	3,199 88	
Buildings on right of way	500 00	
Total		$8,633 51

VERTICAL IN BOOK

ST. LOUIS & SAN FRANCISCO RAILROAD (MISSOURI & WESTERN BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Lawrence			4.89	$12,547		$61,354 83				$61,354 83
	Pierce		4.89	12,547	$61,354 83				$61,354 83	
Jasper		Pierce City	1.00	12,547	12,547 00				12,547 00	
			33.55	12,547		420,951 85		$7,300 00		428,251 85
	Sarcoxie		6.65	12,547	83,437 55		$900 00		84,337 55	
	Union		6.14	12,547	77,038 58		200 00		77,238 58	
	Madison		1.16	12,547	14,554 52				14,554 52	
	Marion		7.12	12,547	89,334 64		5,000 00		94,334 64	
	Mineral		6.14	12,547	77,038 58		400 00		77,438 58	
	Twin Grove		6.34	12,547	79,547 98		800 00		80,347 98	
		Sarcoxie	1.01	12,547	12,672 47		600 00		13,272 47	
		Carthage	2.18	12,547	27,352 46		5,000 00		32,352 46	
		Oronogo	1.52	12,547	19,071 44		400 00		19,471 44	
		Carl Junction	2.10	12,547	26,348 70		800 00		27,148 70	
		Reeds	.38	12,547	4,767 86		300 00		5,067 86	
		Smithfield	.25	12,547	3,136 75		200 00		3,336 75	
	Old Sarcoxie		9.00	12,547	112,923 00				112,923 00	
	Old Marion		12.50	12,547	156,837 50				156,837 50	
	Old Mineral		4.25	12,547	53,324 75				53,324 75	
Newton			5.50	12,547		69,008 50		350 00		69,358 50
	Van Buren		5.50	12,547	69,008 50				69,358 50	
Totals						$551,315 18		$7,650 00		$558,965 18

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ITEMIZED STATEMENT.

Length of road in State of Missouri	43.94	
43.94 miles rolling stock at $2,135.7699 per mile	$93,845 73	
43.94 miles road-bed and superstructure at $8,500 per mile	373,490 00	
Buildings on right of way	7,650 00	
"All other property" at $1,911.2301 per mile	83,979 45	
Total		$558,965 18

ST. LOUIS & SAN FRANCISCO RAILROAD (St. Louis, Salem & Arkansas Branch).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Crawford			27.95	$4,546		$127,060 70		$1,000 00		$128,060 70
	Benton		2.31	4,546	$10,501 26		$400 00		$10,901 26	
	Meramec		10.57	4,546	48,051 22		500 00		48,551 22	
	Union		15.07	4,546	68,508 22		100 00		68,608 22	
		Cuba	.52	4,546	2,363 92		400 00		2,763 92	
		Steelville	.78	4,546	3,545 88		500 00		4,045 88	
Dent			13.17	4,546		59,870 82		1,500 00		61,370 82
	Short Bend		7.52	4,546	34,185 92		100 00		34,285 92	
	Spring Creek		5.65	4,546	25,684 90		1,400 00		27,084 90	
		Salem	.32	4,546	1,454 72		1,400 00		2,854 72	
Totals						$186,931 52		$2,500 00		$189,431 52

ITEMIZED STATEMENT.

Length of road in State of Missouri	41.12	
41.12 miles rolling stock at $2,135.7699 per mile	$87,822 86	
41.12 miles road-bed and superstructure at $2,000 per mile	82,240 00	
Buildings on right of way	2,500 00	
"All other property" at $410.2301 per mile	16,868 66	
Total		$189,431 52

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VERTICAL IN BOOK

ST. LOUIS & SAN FRANCISCO RAILROAD (SPRINGFIELD & NORTHERN BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Greene			20.83	$5,846		$121,772 18		$1,200 00		$122,972 18
	Campbell		6.14	5,846	$35,894 44				$35,894 44	
	Center		1.04	5,846	6,079 84				6,079 84	
	Robberson		1.16	5,846	6,781 36				6,781 36	
	Cass		8.63	5,846	50,450 98		$600 00		51,050 98	
	Walnut Grove		3.86	5,846	22,565 56		600 00		23,165 56	
		Springfield	1.47	5,846	8,593 62				8,593 62	
Polk			17.96	5,846		104,994 16		1,400 00		106,394 16
	Jackson		7.23	5,846	42,266 58				42,266 58	
	Looney		5.64	5,846	32,971 44		800 00		33,771 44	
	Marion		5.09	5,846	29,756 14		600 00		30,356 14	
		Bolivar	.95	5,846	5,553 70		600 00		6,153 70	
Totals						$226,766 34		$2,600 00		$229,366 34

ITEMIZED STATEMENT.

Length of road in State of Missouri	38.79	
38.79 miles rolling stock at $2,135.7699 per mile	$82,846 51	
38.79 miles road-bed and superstructure at $3,300 per mile	128,007 00	
Buildings on right of way	2,600 00	
"All other property" at $410.2301 per mile	15,912 83	
Total		$229,366 34

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STATE BOARD OF EQUALIZATION.

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ST. LOUIS & SAN FRANCISCO RAILROAD (SPRINGFIELD & SOUTHERN BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Greene			11.77	$5,046		$59,391 42		$600 00		$59,991 42
	Campbell		5.81	5,046	$29,317 26				$29,317 26	
	Clay		5.96	5,046	30,074 16		$600 00		30,674 16	
		Springfield	3.22	5,046	16,248 12				16,248 12	
Christian			22.37	5,046		112,879 02		1,500 00		114,379 02
	Finley		9.79	5,046	49,400 34		700 00		50,100 34	
	Linden		6.35	5,046	32,042 10		300 00		32,342 10	
	Benton		1.80	5,046	9,082 80				9,082 80	
	Marion		4.43	5,046	22,353 78		500 00		22,853 78	
		Ozark	.25	5,046	1,261 50		400 00		1,661 50	
		Sparta	.25	5,046	1,261 50		250 00		1,511 50	
Totals						$172,270 44		$2,100 00		$174,370 44

ITEMIZED STATEMENT.

Length of road in State of Missouri	34.14	
34.14 miles rolling stock at $2,135.7699 per mile	$72,915 18	
34.14 miles road-bed and superstructure at $2,500 per mile	85,350 00	
Buildings on right of way	2,100 00	
"All other property" at $410.2301 per mile	14,005 26	
Total		$174,370 44

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O VERTICAL IN BOOK

ST. LOUIS & SAN FRANCISCO RAILROAD (ST. LOUIS, ARKANSAS & TEXAS BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Barry			32.24	$12,536		$404,160 64		$2,500 00		$406,660 64
	Copps Creek		.84	12,536	$10,530 24				$10,530 24	
	Kings Prairie		5.82	12,536	72,959 52				72,959 52	
	Shoal Creek		6.21	12,536	77,848 56		$400 00		78,248 56	
	Flat Creek		7.28	12,536	91,262 08		500 00		91,762 08	
	Liberty		1.44	12,536	18,051 84				18,051 84	
	Sugar Creek		10.65	12,536	133,508 40		1,600 00		135,108 40	
		Monett	.42	12,536	5,265 12				5,265 12	
		Purdy	.34	12,536	4,262 24		300 00		4,262 24	
Totals						$404,160 64		$2,500 00		$406,660 64

9855

ITEMIZED STATEMENT.

Length of road in State of Missouri	32.24	
32.24 miles rolling stock at $2,135.7699 per mile	$68,857 22	
32.24 miles road-bed and superstructure at $8,500 per mile	274,040 00	
Buildings on right of way	2,500 00	
"All other property" at $1,900.2301 per mile	61,263 42	
Total		$406,660 64

STATE BOARD OF EQUALIZATION.

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ST. LOUIS & SAN FRANCISCO RAILROAD (ORONOGO BRANCH MISSOURI & WESTERN).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jasper			9.32	$11,030		$102,799 60		$4,800 00		$107,599 60
	Mineral		3.18	11,030	$35,075 40				$35,075 40	
	Joplin		6.14	11,030	67,724 20		$4,800 00		72,524 20	
		Oronogo	2.01	11,030	22,170 30		400 00		22,570 30	
		Webb City	2.00	11,030	22,060 00		600 00		22,660 00	
		Joplin	2.00	11,030	22,060 00		3,800 00		25,860 00	
	Old Mineral		9.32	11,030	102,799 60				102,799 60	
Totals						$102,799 60		$4,800 00		$107,599 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	9.32	
9.32 miles rolling stock at $2,135.7699 per mile	$19,905 38	
9.32 miles road-bed and superstructure at $6,800 per mile	63,376 00	
Buildings on right of way	4,800 00	
"All other property" at $2,094.2301 per mile	19,518 22	
Total		$107,599 60

ST. LOUIS & SAN FRANCISCO RAILROAD (JOPLIN RAILWAY BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jasper			20.43	$10,525		$215,025 75		$400 00		$215,425 75
	Galena		6.41	10,525	$67,465 25				$67,465 25	
	Twin Grove		7.78	10,525	81,884 50		$400 00		82,284 50	
	Jasper		5.14	10,525	54,098 50				54,098 50	
	Joplin		1.10	10,525	11,577 50				11,577 50	
		Joplin	1.12	10,525	11,788 00				11,788 00	
		Carl Junction	1.73	10,525	18,208 25				18,208 25	
		Waco	.25	10,525	2,631 25		200 00		2,831 25	
		Asbury	.25	10,525	2,631 25		200 00		2,831 25	
Totals						$215,025 75		$400 00		$215,425 75

ITEMIZED STATEMENT.

Length of road in State of Missouri	20.43	
20.43 miles rolling stock at $2,135.7699 per mile	$43,633 78	
20.43 miles road-bed and superstructure at $6,800 per mile	138,924 00	
Buildings on right of way	400 00	
"All other property" at $1,589.2301 per mile	32,467 97	
Total		$215,425 75

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STATE BOARD OF EQUALIZATION. 5133 213

ST. LOUIS & SAN FRANCISCO RAILROAD (JOPLIN & GALENA BRANCH MISSOURI & WESTERN)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jasper			6.10	$9,546		$58,230 60				$58,230 60
	Galena		6.10	9,546	$58,230 60				$58,230 60	
		Joplin	2.13	9,546	20,332 98				20,332 98	
	Old Mineral		1.63	9,546	15,559 98				15,559 98	
Totals						$58,230 60				$58,230 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	6.10	
6.10 miles rolling stock at $2,135.7699 per mile	$13,028 20	
6.10 miles road-bed and superstructure at $6,000 per mile	36,600 00	
"All other property" at $1,410.2301 per mile	8,602 40	
Total		$58,230 60

ST. LOUIS & SAN FRANCISCO RAILROAD (SPRINGFIELD CONNECTING RAILWAY BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Greene			3.12	$11,546		$36,023 52		$2,000 00		$38,023 52
	Campbell		3.12	11,546	$36,023 52		$2,000 00		$38,023 52	
		Springfield	3.12	11,546	36,023 52		2,000 00		38,023 52	
Totals						$36,023 52		$2,000 00		$38,023 52

ITEMIZED STATEMENT.

Length of road in State of Missouri	3.12	
3.12 miles rolling stock at $2,135.7699 per mile	$6,663 60	
3.12 miles road-bed and superstructure at $8,410 per mile	26,239 20	
Buildings on right of way	2,000 00	
"All other property" at $1,000.2301 per mile	3,120 72	
Total		$38,023 52

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STATE BOARD OF EQUALIZATION. 5135 215

VERTICAL IN BOOK

ST. LOUIS & SAN FRANCISCO RAILROAD (KANSAS CITY, OSCEOLA & SOUTHERN BRANCH.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jackson			22.08	$7,543		$166,549 44		$1,500 00		$168,049 44
	Kaw		3.47	7,543	$26,174 21		$100 00		$26,274 21	
	Blue		2.69	7,543	20,290 67		200 00		20,490 67	
	Westport		6.25	7,543	47,143 75		250 00		47,393 75	
	Washington		9.67	7,543	72,940 81		950 00		73,890 81	
		Kansas City	2.17	7,543	16,368 31				16,368 31	
Cass			32.19	7,543		242,809 17		2,000 00		244,809 17
	Mt. Pleasant		3.41	7,543	25,721 63		300 00		26,021 63	
	Raymore		4.51	7,543	34,018 93		400 00		34,418 93	
	West Peculiar		7.15	7,543	53,932 45		300 00		54,232 45	
	Peculiar		2.98	7,543	22,478 14				22,478 14	
	Grand River		3.74	7,543	28,210 82		700 00		28,910 82	
	Camp Branch		5.82	7,543	43,900 26		300 00		44,200 26	
	Index		4.58	7,543	34,546 94				34,546 94	
		Belton	.74	7,543	5,581 82		300 00		5,881 82	
		Peculiar	.32	7,543	2,413 76		300 00		2,713 76	
		Harrisonville	.90	7,543	6,788 70		700 00		7,488 70	
		Raymore	.25	7,543	1,885 75				1,885 75	
Johnson			10.39	7,543		78,371 77		640 00		79,011 77
	Rose Hill		10.39	7,543	78,371 77		640 00		79,011 77	
		Latour	.27	7,543	2,036 61		400 00		2,436 61	
		Quick City	.21	7,543	1,584 03		240 00		1,824 03	
Henry			28.36	7,543		213,919 48		2,575 00		216,494 48
	Bogard		1.80	7,543	13,577 40		500 00		14,077 40	
	Big Creek		6.22	7,543	46,917 46		400 00		47,317 46	
	Honey Creek		3.08	7,543	23,232 44		150 00		23,382 44	
	Fields Creek		5.76	7,543	43,447 68				43,447 68	
	Clinton		2.09	7,543	15,764 87		1,000 00		16,764 87	
	Bethlehem		3.34	7,543	25,193 62				25,193 62	
	Osage		6.07	7,543	45,786 01		525 00		46,311 01	
		Blairstown	.24	7,543	1,810 32		500 00		2,310 32	
		Maurine	.40	7,543	3,017 20		400 00		3,417 20	
		Clinton	1.58	7,543	11,917 94		1,000 00		12,917 94	
		Brownington	.50	7,543	3,771 50		400 00		4,171 50	
St. Clair			26.91	7,543		202,982 13		2,900 00		205,882 13
	Butler		8.21	7,543	61,928 03		600 00		62,528 03	
	Osceola		6.40	7,543	48,275 20		1,300 00		49,575 20	
	Doyal		4.53	7,543	34,169 79				34,169 79	
	Dallas		7.77	7,543	58,609 11		1,000 00		59,609 11	
		Gerster	.56	7,543	4,224 08		600 00		4,824 08	

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		Lowry	.60	7,543	4,525 80		600 00		5,125 80	
		Osceola	.63	7,543	4,752 09		1,300 00		15,052 09	
Hickory	Weaubleau		7.42	7,543		55,969 06		700 00		56,669 06
		Weaubleau	.25	7,543	55,969 06		700 00		56,669 06	
Polk				7,543	1,885 75		700 00		2,585 75	
	Jefferson		15.35	7,543		115,785 05		1,200 00		116,985 05
	Marion		5.50	7,543	41,486 50		600 00		42,086 50	
			9.85	7,543	74,298 55		600 00		74,898 55	
		Bolivar	.39	7,543	2,941 77				2,941 77	
Totals						$1,076,386 10		$11,515 00		$1,087,901 10

ITEMIZED STATEMENT.

Length of road in State of Missouri	142.70	
142.70 miles rolling stock at $2,135.7699 per mile	$304,774 36	
142.70 miles road-bed and superstructure at $4,900 per mile	699,230 00	
Buildings on right of way	11,515 00	
"All other property" at $507.2301 per mile	72,381 74	
Total		$1,087,901 10

9861

STATE BOARD OF EQUALIZATION. 5137 217

VERTICAL IN BOOK

KANSAS CITY, FT. SCOTT & MEMPHIS RAILWAY (ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY LESSEE).

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Kansas City, Fort Scott & Memphis Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jackson			2 04	$16,390		$33,435 60		$38,000 00		$71,435 60
	Kaw		2.04	16,390	$33,435 60		$38,000 00		$71,435 60	
		Kansas City	2.04	16,390	33,435 60		38,000 00		71,435 60	
Barton			34.71	16,390		568,896 90		7,600 00		576,496 90
	Leroy		6 56	16,390	107,518 40				107,518 40	
	Ozark		2.59	16,390	42,450 10		900 00		43,350 10	
	Central		9.50	16,390	155,705 00		700 00		156,405 00	
	Lamar		6.53	16,390	107,026 70		3,100 00		110,126 70	
	Richland		4.17	16,390	68,346 30		1,200 00		69,546 30	
	Golden City		5.36	16,390	87,850 40		1,700 00		89,550 40	
		Liberal	1.00	16,390	16,390 00		700 00		17,090 00	
		Lamar	.93	16,390	15,242 70		3,100 00		18,342 70	
		Golden City	.53	16,390	8,686 70		1,700 00		10,386 70	
		Iantha	.75	16,390	12,292 50		540 00		12,832 50	
Dade			29.34	16,390		480,882 60		4,800 00		485,682 60
	Marion		5.09	16,390	83,425 10				83,425 10	
	Lockwood		4.19	16,390	68,674 10		1,800 00		70,474 10	
	Washington		10.13	16,390	166,030 70		1,200 00		167,230 70	
	South		2.47	16,390	40,483 30				40,483 30	
	Rock Prairie		7.46	16,390	122,269 40		1,800 00		124,069 40	
		Lockwood	.54	16,390	8,850 60		1,800 00		10,650 60	
		S. Greenfield	.55	16,390	9,014 50		1,200 00		10,214 50	
		Everton	.37	16,390	6,064 30		1,800 00		7,864 30	
Greene			37.73	16,390		618,394 70		13,535 00		631,929 70
	Boone		5.76	16,390	94,406 40		600 00		95,006 40	
	West Centre		3.83	16,390	62,773 70		260 00		63,033 70	
	East Centre		6.52	16,390	106,862 80				106,862 80	
	North Campbell		4.46	16,390	73,099 40				73,099 40	
	West Campbell		1.76	16,390	28,846 40				28,846 40	
	South Campbell		7.49	16,390	122,761 10		11,475 00		134,236 10	
	Taylor		3.53	16,390	57,856 70		1,200 00		59,056 70	
	Washington		4.38	16,390	71,788 20				71,788 20	
		Springfield	3.30	16,390	54,087 00		11,000 00		65,087 00	
Webster			23.71	16,390		388,806 90		2,200 00		390,806 90
	West Benton		6.68	16,390	109,485 20		700 00		110,185 20	
	East Benton		2.50	16,390	40,975 00		1,000 00		41,975 00	
	East Dallas		4 15	16,390	68,018 50				68,018 50	

	Hazelwood		3.57	16,390	58,512 30					58,512 30	
	Finley		6.81	16,390	111,615 90		500 00			112,115 90	
		Seymour	.54	16,390	8,850 60		500 00			9,350 60	
Wright			27.56	16,390		456,625 40		5,400 00			462,025 40
	Pleasant Valley		11.35	16,390	186,026 50		2,300 00			188,326 50	
	Clark		7.23	16,390	118,499 70		1,200 00			119,699 70	
	Mt. Grove		9.26	16,390	152,099 20		1,900 00			153,999 20	
		Mansfield	.63	16,390	10,325 70		1,000 00			11,325 70	
		Mountain Grove	.65	16,390	10,653 50		1,900 00			12,553 50	
		Cedar Gap	.75	16,390	12,292 50		800 00			13,092 50	
Texas			17.70	16,390		290,103 00		1,300 00			291,403 00
	Clinton		9.92	16,390	162,588 80					162,588 80	
	Burdine		7.78	16,390	127,514 20		1,300 00			128,814 20	
		Cabool	.53	16,390	8,686 70		650 00			9,336 70	
Howell			39.75	16,390		551,502 50		8,400 00			559,902 50
	Willow Springs		13.35	16,390	218,806 50		2,800 00			221,606 50	
	Dry Creek		8.40	16,390	137,676 00		700 00			138,376 00	
	Howell		14.50	16,390	237,655 00		4,900 00			242,555 00	
	Myatt		3.50	16,390	57,365 00					57,365 00	
		Willow Springs	.68	16,390	11,145 20		2,250 00			13,395 20	
		West Plains	1.60	16,390	26,224 00		4,200 00			30,424 00	
Oregon			14.34	16,390		235,032 60		10,000 00			245,032 60
	Big Apple		8.05	16,390	131,939 50		1,300 00			133,239 50	
	Thayer		6.29	16,390	103,093 10		8,700 00			111,793 10	
		Thayer	1.53	16,390	25,076 70		8,700 00			33,776 70	
		Koshkonong	.48	16,390	7,867 20		800 00			8,667 20	
Totals						$3,723,480 20		$91,235 00			$3,814,715 20

ITEMIZED STATEMENT.

Length of road in State of Missouri	227.18	
227.18 miles rolling stock at $2,135.7699 per mile	$485,204 20	
1.209 standard Pullman sleeping cars at $6,500	7,858 50	
Total rolling stock to this State at $2,170.3613 per mile	$493,062 70	
227.18 miles road-bed and superstructure at $10,750 per mile	2,442,185 00	
Buildings on right of way	91,235 00	
"All other property" at $3,469.6387 per mile	788,232 50	
Total		$3,814,715 20

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KANSAS CITY, FORT SCOTT & MEMPHIS RAILWAY (CHERRYVALE BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property." No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Buildings. Valuation in subdivision.	Valuation in county.	Totals. Value in subdivision.	Value in county.
Barton			7.01	$7,046		$49,392 46		$800 00		$50,192 46
	Ozark		4.73	7,046	$33,327 58		$500 00		$33,827 58	
	Southwest		2.28	7,046	16,064 88		300 00		16,364 88	
		Minden	1.26	7,046	8,877 96		300 00		9,177 96	
Totals						$49,392 46		$800 00		$50,192 46

ITEMIZED STATEMENT.

Length of road in State of Missouri	7.01	
7.01 miles rolling stock at $2,135.7699 per mile	$14,971 73	
7.01 miles road-bed and superstructure at $3,500 per mile	24,535 00	
Buildings on right of way	900 00	
"All other property" at $1,410.2301 per mile	9,885 71	
Total		$50,192 46

PAGE BOUND

KANSAS CITY, FT. SCOTT & MEMPHIS RAILWAY (SHORT CREEK & JOPLIN BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county
Jasper			13.07	$8,046		$105,161 22		$2,800 00		$107,961 22
	Galena		7.49	8,046	$60,284 54				$60,284 54	
	Joplin		5.58	8,046	44,896 68		$2,800 00		47,696 68	
		Joplin	3.57	8,046	28,724 22		1,400 00		30,124 22	
		Webb City	2.97	8,046	23,896 62		1,200 00		25,096 62	
	Old Mineral		6.32	8,046	50,850 72				50,850 72	
Totals						$105,161 22		$2,800 00		$107,961 22

ITEMIZED STATEMENT.

Length of road in State of Missouri	13.07	
13.07 miles rolling stock at $2,135.7699 per mile	$27,914 51	
13.07 miles road-bed and superstructure at $4,000 per mile	52,280 00	
Buildings on right of way	2,800 00	
"All other property" at $1,910.2301 per mile	24,966 71	
Total		$107,961 22

9865

STATE BOARD OF EQUALIZATION.

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KANSAS CITY, FT. SCOTT & MEMPHIS RAILWAY (RICH HILL BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Bates			15.47	$8,046		$124,471 62		$3,600 00		$128,071 62
	Howard		9.39	8,046	$75,551 94		$1,300 00		$76,851 94	
	Osage		6.08	8,064	48,919 68		2,300 00		51,219 68	
		Rich Hill	1.28	8,046	10,298 88		2,300 00		12,598 88	
		Hume	.21	8,046	1,689 66		700 00		2,389 66	
		Sprague	.21	8,046	1,689 66		600 00		2,289 66	
Totals						$124,471 62		$3,600 00		$128,071 62

ITEMIZED STATEMENT.

Length of road in State of Missouri	15.47	
15.47 miles rolling stock at $2,135.7699 per mile	$33,040 38	
15.47 miles road-bed and superstructure at $4,000 per mile	61,880 00	
Buildings on right of way	3,600 00	
" All other property" at $1,910.2301 per mile	29,551 26	
Total		$128,071 62

PAGE BOUND

D VERTICAL IN BOOK

KANSAS CITY, FT. SCOTT & MEMPHIS RAILWAY (AURORA BRANCH)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Dade			10.77	$6,546		$70,500 42		$1,200 00		$71,700 42
	Centre		3.17	6,546	$20,750 82		$650 00		$21,400 82	
	Washington		3.46	6,546	22,649 16		250 00		22,899 16	
	South		4.14	6,546	27,100 44		300 00		27,400 44	
		Greenfield	.90	6,546	5,891 40		650 00		6,541 40	
Lawrence		S. Greenfield	.53	6,546	3,469 38		250 00		3,719 38	
			26.90	6,546		176,087 40		1,900 00		177,987 40
	Lincoln		8.75	6,546	57,277 50		400 00		57,677 50	
	Kt. Vernon		11.54	6,546	75,540 84		600 00		76,140 84	
	Aurora		6.61	6,546	43,269 06		900 00		44,169 06	
		Miller	.70	6,546	4,582 20		400 00		4,982 20	
		Mt. Vernon	.73	6,546	4,778 58		600 00		5,378 58	
		Aurora	2.25	6,546	14,728 50		900 00		15,628 50	
Totals						$246,587 82		$3,100 00		$249,687 82

ITEMIZED STATEMENT.

Length of road in State of Missouri	37.67	
37.67 miles rolling stock at $2,135.7699 per mile	$80,454 48	
37.67 miles road-bed and superstructure at $3,000 per mile	113,010 00	
Buildings on right of way	3,100 00	
"All other property" at $1,410.2301 per mile	53,123 38	
Total		$249,687 82

STATE BOARD OF EQUALIZATION. 5143 223

KANSAS CITY, FT. SCOTT & MEMPHIS RAILWAY (CURRENT RIVER BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Howell			18.97	$7,046		$133,662 62		$3,500 00		$137,162 62
	Willow Springs		4.00	7,046	$28,184 00		$800 00		$28,984 00	
	Hutton Valley		6.52	7,046	45,939 92		1,000 00		46,939 92	
	Goldsberry		8.45	7,046	59,538 70		1,700 00		61,238 70	
		Willow Springs	.27	7,046	1,902 42		800 00		2,702 42	
Shannon			27.30	7,046		192,355 80		3,000 00		195,355 80
	Birch Tree		16.45	7,046	115,906 70		1,600 00		117,506 70	
	Pike Creek		10.85	7,046	76,449 10		1,400 00		77,849 10	
		Winona	.33	7,046	2,325 18		1,100 00		3,425 18	
Carter			35.67	7,046		251,330 82		3,900 00		255,230 82
	Carter		20.76	7,046	146,274 96		1,650 00		147,924 96	
	Kelley		3.89	7,046	27,408 94		550 00		27,958 94	
	Johnson		11.02	7,046	77,646 92		1,700 00		79,346 92	
Totals						$577,349 24		$10,400 00		$587,749 24

ITEMIZED STATEMENT.

Length of road in State of Missouri	81.94	
81.94 miles rolling stock at $2,135.7699 per mile	$175,004 99	
81.94 miles road-bed and superstructure at $3,500 per mile	284,790 00	
Buildings on right of way	10,400 00	
"All other property" at $1,410.2301 per mile	115,554 25	
Total		$587,749 24

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PAGE BOUND

VERTICAL IN BOOK

ST. LOUIS & SAN FRANCISCO RAILROAD, ST. LOUIS, MEMPHIS & SOUTHEASTERN (MAIN LINE)

M—15

Aggregate and detail description and valuation of property in the State of Missouri, owned by the St. Louis & San Francisco Railroad Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
St. Louis			11.64	$11,937		$138,946 68		$600 00		$139,546 68
	Central		.86	11,937	$10,265 82				$10,265 82	
	Carondelet		10.78	11,937	128,680 86		$600 00		129,280 86	
Jefferson			30.66	11,937		365,988 42		3,900 00		369,888 42
	Rock		11.09	11,937	132,381 33		1,500 00		133,881 33	
	Joachim		10.13	11,937	120,921 81		2,000 00		122,921 81	
	Plattin		9.44	11,937	112,685 28		400 00		113,085 28	
		Festus	.69	11,937	8,236 53		300 00		8,536 53	
		Crystal City	.58	11,937	6,923 46		1,200 00		8,123 46	
Ste. Genevieve			24.96	11,937		297,947 52		3,200 00		301,147 52
	Jackson		6.59	11,937	78,664 83		1,200 00		79,864 83	
	Ste. Genevieve		13.73	11,937	163,895 01		600 00		164,495 01	
	Beauvias		4.64	11,937	55,387 68		1,400 00		56,787 68	
		Ste. Genevieve	1.49	11,937	17,786 13		600 00		18,386 13	
		St. Marys	.86	11,937	10,265 82		1,400 00		11,665 82	
Perry			35.15	11,937		419,585 55		3,000 00		422,585 55
	Saline		3.67	11,937	43,808 79		300 00		44,108 79	
	Bois Brule		10.58	11,937	126,293 46		600 00		126,893 46	
	Salem		7.67	11,937	91,556 79		1,500 00		93,056 79	
	Breazeau		13.23	11,937	157,926 51		600 00		158,526 51	
C. Girardeau			30.91	11,937		368,972 67		7,000 00		375,972 67
	Shawnee		9.81	11,937	117,101 97		1,100 00		118,201 97	
	Randol		9.09	11,937	108,507 33		400 00		108,907 33	
	Cape Girardeau		12.01	11,937	143,363 37		5,500 00		148,863 37	
		Cape Girardeau	2.33	11,937	27,813 21		5,000 00		32,813 21	
Scott			25.29	11,937	301,886 73			8,000 00		309,886 73
	Kelso		4.73	11,937	56,462 01		6,300 00		62,762 01	
	Sylvania		7.25	11,937	86,543 25		600 00		87,143 25	
	Morley		4.35	11,937	51,925 95		500 00		52,425 95	
	Richland		8.96	11,937	106,955 52		600 00		107,555 52	
		Oran	.54	11,937	6,445 98		600 00		7,045 98	
		Sikeston	1.24	11,937	14,801 88		600 00		15,401 88	
New Madrid			33.45	11,937		399,292 65		1,800 00		401,092 65
	Big Prairie		10.56	11,937	126,054 72		500 00		126,554 72	
	New Madrid		14.96	11,937	178,577 52		250 00		178,827 52	
	Lesieur		7.93	11,937	94,660 41		1,050 00		95,710 41	
		Portageville	.67	11,937	7,997 79		700 00		8,697 79	

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STATE BOARD OF EQUALIZATION.

514.5

ST. LOUIS & SAN FRANCISCO RAILROAD, ST. LOUIS, MEMPHIS & SOUTHEASTERN (MAIN LINE)—Continued.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Pemiscot			32.51	$11,937		$388,071 87		$2,000 00		$390,071 87
	Godair		8.42	11,937	$100,509 54				$100,509 54	
	Gayoso		7.01	11,937	83,678 37		$900 00		84,578 37	
	Little Prairie		6.49	11,937	77,471 13		600 00		78,071 13	
	Cootre		3.94	11,937	47,031 78		500 00		47,531 78	
	Virginia		6.65	11,937	79,381 05				79,381 05	
Totals						$2,680,692 09		$29,500 00		$2,710,192 09

0286

ITEMIZED STATEMENT.

Length of road in State of Missouri	607.40	
Length of road in other States	60.23	
Total	667.63	
ROLLING STOCK.		
50 locomotives at $4,000	$200,000 00	
18 passenger cars at $2,250	40,500 00	
3 chair cars at $3,500	10,500 00	
18 combination cars at $1,500	27,000 00	
3 official cars at $5,000	15,000 00	
871 box cars at $250	217,750 00	
123 coal cars at $200	24,600 00	
234 flat cars at $200	46,800 00	
27 caboose cars at $400	10,800 00	
73 ballast cars at $200	14,600 00	
1 derrick car at $450	450 00	
2 pile drivers at $1,000	2,000 00	
1 steam shovel at $1,500	1,500 00	
4 boarding cars at $250	1,000 00	
1 plow car at $500	500 00	
4 tool cars at $250	1,000 00	
1 ice car at $250	250 00	
Total rolling stock used over 667.63 miles	$614,250 00	
60.23 miles rolling stock to other States at $920.0455 per mile	55,414 34	
Proportion of rolling stock to this State	$558,835 66	
382.83 miles rolling stock to other Divisions, this State at $920.0455 per mile	352,221 04	
Proportion of rolling stock to this division	$206,614 62	
224.57 miles road-bed and superstructure at $8,000 per mile	1,796,560 00	
Buildings on right of way	29,500 00	
"All other property" at $3,016.9545 per mile	677,517 47	
Total		$2,710,192 09

9871

STATE BOARD OF EQUALIZATION. 5147

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (HAYTI TO GRASSY BAYOU).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Pemiscot			15.85	$5,921		$93,847 85		$1,000 00		$94,847 85
	Gayoso		1.88	5,921	$11,131 48				$11,131 48	
	Little River		13.97	5,921	82,716 37		$1,000 00		83,716 37	
		Caruthersville	.55	5,921	3,256 55		1,000 00		4,256 55	
Totals						$93,847 85		$1,000 00		$94,847 85

9872

ITEMIZED STATEMENT.

Length of road in State of Missouri	15.85	
15.85 miles rolling stock at $920.0455 per mile	$14,582 72	
15.85 miles road-bed and superstructure at $3,500 per mile	55,475 00	
Buildings on right of way	1,000 00	
"All other property" at $1,500.9345 per mile	23,790 13	
Total		$94,847 85

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (SHEPLEY TO STATE LINE).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
C. Girardeau			15.65	$6,771		$105,966 15		$400 00		$106,366 15
	C. Girardeau		2.15	6,771	$14,557 65				$14,557 65	
	Hubble		5.65	6,771	38,256 15		$300 00		38,556 15	
	Welch		7.85	6,771	53,152 35		100 00		53,252 35	
Bollinger			4.22	6,771		28,573 62		300 00		28,873 62
	Wayne		3.57	6,771	24,172 47		300 00		24,472 47	
	Liberty		.65	6,771	4,401 15				4,401 15	
Stoddard			24.55	6,771		166,228 05		1,400 00		167,628 05
	Pike		4.90	6,771	33,177 90		300 00		33,477 90	
	Duck Creek		14.35	6,771	97,163 85		1,100 00		98,263 85	
	New Lisbon		5.30	6,771	35,886 30				35,886 30	
		Advance	.65	6,771	4,401 15		300 00		4,701 15	
		Puxico	.25	6,771	1,692 75		300 00		1,992 75	
Butler			27.52	6,771		186,337 92		3,200 00		189,537 92
	St. Francois		5.60	6,771	37,917 60		400 00		38,317 60	
	Poplar Bluff		12.42	6,771	84,095 82		2,600 00		86,695 82	
	Beaver Dam		5.20	6,771	35,209 20		200 00		35,409 20	
	Neeley		4.30	6,771	29,115 30				29,115 30	
		Poplar Bluff	1.25	6,771	8,463 75		2,600 00		11,063 75	
		Harvieli	.26	6,771	1,760 46		200 00		1,960 46	
Ripley			9.47	6,771		64,121 37		300 00		64,421 37
	Thomas		7.38	6,771	49,969 98		300 00		50,269 98	
	Harris		2.09	6,771	14,151 39				14,151 39	
Totals						$551,227 11		$5,600 00		$556,827 11

ITEMIZED STATEMENT.

Length of road in State of Missouri	81.41	
81.41 miles rolling stock at $920.0455 per mile	$74,900 91	
81.41 miles road-bed and superstructure at $4,350 per mile	354,133 50	
Buildings on right of way	5,600 00	
"All other property" at $1,500.9545 per mile	122,192 70	
Total		$556,827 11

STATE BOARD OF EQUALIZATION. 5149 229

9873

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (MINGO TO HUNTER).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Stoddard										
	Duck Creek		1.25	$6,171		$7,713 75		$300 00		$8,013 75
Wayne			1.25	6,172	$7,713 75		$300 00		$8,013 75	
	Lost Creek		32.74	6,171		202,038 54		1,000 00		203,038 54
	Black River		9.46	6,171	58,377 66		400 00		58,777 66	
	Liberty		8.28	6,171	51,095 88		200 00		51,295 88	
	Williams		7.90	6,171	48,750 90				48,750 90	
Carter			7.10	6,171	43,814 10		400 00		44,214 10	
	Jackson		11.80	6,171		72,817 80		500 00		73,317 80
	Kelly		2.00	6,171	12,342 00		500 00		12,842 00	
			9.80	6,171	60,475 80				60,475 80	
Totals						$282,570 09		$1,800 00		$284,370 09

ITEMIZED STATEMENT.

Length of road in State of Missouri	45.79	
45.79 miles rolling stock at $920.0455 per mile	$42,128 89	
45.79 miles road bed and superstructure at $3,750 per mile	171,712 50	
Buildings on right of way	1,800 00	
"All other property" at $1,500.9545 per mile	68,728 70	
Total		$284,370 09

9874

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (GULF JUNCTION TO STATE LINE).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
C. Girardeau			2.01	$6,361		$12,785 61				$12,785 61
	C. Girardeau		2.01	6,361	$12,785 61				$12,785 61	
		C. Girardeau	.89	6,361	5,661 29				5,661 29	
Scott			36.41	6,361		231,604 01		$1,100 00		232,704 01
	Kelso		5.35	6,361	34,031 35				34,031 35	
	Commerce		9.92	6,361	63,101 12		$100 00		63,201 12	
	Morland		3.58	6,361	22,772 38		100 00		22,872 38	
	Morley		7.57	6,361	48,152 77		500 00		48,652 77	
	Richland		9.99	6,361	63,546 39		400 00		63,946 39	
		Commerce	.87	6,361	5,534 07		100 00		5,634 07	
		Morley	1.00	6,361	6,361 00		500 00		6,861 00	
New Madrid			25.46	6,361		161,951 06		550 00		162,501 06
	Big Prairie		8.44	6,361	53,686 84		100 00		53,786 84	
	Como		8.00	6,361	50,888 00		250 00		51,138 00	
	Portage		9.02	6,361	57,376 22		200 00		57,576 22	
Dunklin			39.41	6,361		250,687 01		1,900 00		252,587 01
	Freeborn		3.51	6,361	22,327 11		200 00		22,527 11	
	Holcomb		7.68	6,361	48,852 48		400 00		49,252 48	
	Independence		10.02	6,361	63,737 22		900 00		64,637 22	
	Salem		13.56	6,361	86,255 16		400 00		86,655 16	
	Buffalo		4.64	6,361	29,515 04				29,515 04	
		Clarkton	.50	6,361	3,180 50		200 00		3,380 50	
		Kennett	.75	6,361	4,770 75		900 00		5,670 75	
		Senath	.50	6,361	3,180 50		100 00		3,280 50	
		Holcomb	.13	6,361	826 93		100 00		926 93	
Stoddard			10.71	6,361		68,126 31		150 00		68,276 31
	Elk		10.71	6,361	68,126 31		150 00		68,276 31	
Totals						$725,154 00		$3,700 00		$728,854 00

9875

STATE BOARD OF EQUALIZATION. 5151 231

ITEMIZED STATEMENT.

Length of road in State of Missouri	114.00	
114.00 miles rolling stock at $920.0455 per mile	$104,885 19	
114.00 miles road-bed and superstructure at $3,940 per mile	449,160 00	
Buildings on right of way	3,700 00	
"All other property" at $1,500.9545 per mile	171,108 81	
Total		$728,854 00

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (ZALMA TO BLOOMFIELD).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Bollinger			8.60	$5,921		$50,920 60		$300 00		$51,220 60
	Liberty		7.00	5,921	$41,447 00				$41,447 00	
	Wayne		1.60	5,921	9,473 60		$300 00		9,773 60	
Stoddard			17.00	5,921		100,657 00		1,300 00		101,957 00
	Pike		12.50	5,921	74,012 50		500 00		74,512 50	
	Castor		4.50	5,921	26,644 50		800 00		27,444 50	
		Bloomfield	.50	5,921	2,960 50		800 00		3,760 50	
Totals						$151,577 60		$1,600 00		$153,177 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	25.60	
25.60 miles rolling stock at $920.0455 per mile	$23,553 17	
25.60 miles road-bed and superstructure at $3,500 per mile	89,600 00	
Buildings on right of way	1,600 00	
"All other property" at $1,500.9545 per mile	38,424 43	
Total		$153,177 60

9877

STATE BOARD OF EQUALIZATION. 5153 283

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (KENNETT TO HAYTI).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Dunklin			5.27	$5,921		$31,203 67				$31,203 67
	Independence		5.27	5,921	$31,203 67				$31,203 67	
Pemiscot			13.03	5,921		77,150 63		$100 00		77,250 63
	Little River		10.44	5,921	61,815 24				61,815 24	
	Gayoso		2.59	5,921	15,335 39		$100 00		15,435 39	
		Hayti	.35	5,921	2,072 35				2,072 35	
Totals						$108,354 30		$100 00		$108,454 30

8286

ITEMIZED STATEMENT.

Length of road in State of Missouri	18.30	
18.30 miles rolling stock at $920.0455 per mile	$16,836 83	
18.30 miles road-bed and superstructure at $3,500 per mile	64,050 00	
Buildings on right of way	100 00	
"All other property" at $1,500.9545 per mile	27,467 47	
Total		$108,454 30

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (CAMPBELL TO GIBSON).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Dunklin			4.30	$5,921		$25,460 30		$100 00		$25,560 30
	Union		1.98	5,921	$11,723 58		$100 00		$11,823 58	
	Holcomb		2.32	5,921	13,736 72				13,736 72	
		Campbell	.50	5,921	2,960 50				2,960 50	
Totals						$25,460 30		$100 00		$25,560 30

6286

ITEMIZED STATEMENT.

Length of road in State of Missouri	4.30	
4.30 miles rolling stock at $920.0455 per mile	$3,956 20	
4.30 miles road-bed and superstructure at $3,500 per mile	15,050 00	
"All other property" at $1,500.9545 per mile	6,454 10	
Buildings on right of way	100 00	
Total		$25,560 30

STATE BOARD OF EQUALIZATION.

5155 336

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (WARDELL TO DEERING).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Pemiscot			12.40	$5,921		$73,420 40				$73,420 40
	Little River		8.47	5,921	$50,150 87				$50,150 87	
	Braggadocia		3.93	5,921	23,269 53				23,269 53	
Totals						$73,420 40				$73,420 40

ITEMIZED STATEMENT.

Length of road in State of Missouri	12.40	
12.40 miles rolling stock at $920.0455 per mile	$11,408 57	
12.40 miles road-bed and superstructure at $3,500 per mile	43,400 00	
"All other property" at $1,500.0545 per mile	18,611 83	
Total		$73,420 40

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VERTICAL IN BOOK

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (WARDELL TO TALLIPOOSA).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
New Madrid			8.22	$5,921		$48,670 62				$48,670 62
Pemiscot	Portage		8.22	5,921	$48,670 62				$48,670 62	
			2.75	5,921		16,282 75				16,282 75
	Little River		2.75	5,921	16,282 75				16,282 75	
Totals						$64,953 37				$64,953 37

ITEMIZED STATEMENT.

Length of road in State of Missouri	10.97	
10.97 miles rolling stock at $920.0455 per mile	$10,092 90	
10.97 miles road-bed and superstructure at $3,500 per mile	38,395 00	
"All other property" at $1,500.9545 per mile	16,465 47	
Total		$64,953 37

9881

STATE BOARD OF EQUALIZATION 5157 237

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (CLARKTON TO MALDEN).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Dunklin			7.30	$5,921		$43,223 30				$43,223 30
	Freeborn		3.60	5,921	$21,315 60				$21,315 60	
	Cotton Hill		3.70	5,921	21,907 70				21,907 70	
Totals						$43,223 30				$43,223 30

ITEMIZED STATEMENT.

Length of road in State of Missouri	7.30	
7.30 miles rolling stock at $920.0455 per mile	$6,716 32	
7.30 miles road-bed and superstructure at $3,500 per mile	25,550 00	
"All other property" at $1,500.9545 per mile	10,956 97	
Total		$43,223 30

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (VANDUSER TO AQUILLA).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Scott	Richland		2.26	$4,523		$10,221 98				$10,221 98
Stoddard			2.26	4,523	$10,221 98				$10,221 98	
	Pike		10.76	4,523		48,667 48				48,667 48
			10.76	4,523	48,667 48				48,667 48	
Totals						$58,889 46				$58,889 46

ITEMIZED STATEMENT.

Length of road in State of Missouri	13.02	
13.02 miles rolling stock at $920.0455 per mile	$11,979 00	
13.02 miles road-bed and superstructure at $3,000 per mile	39,060 00	
" All other property at $602.9545 per mile	7,850 46	
Total		$58,889 46

STATE BOARD OF EQUALIZATION.
5159

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD (BLOOMFIELD TO CAMPBELL).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Stoddard			24.24	$4,523		$109,637 52		$900 00		$110,537 52
	Castor		9.99	4,523	$45,184 77		$300 00		$45,484 77	
	Duck Creek		3.25	4,523	14,699 75				14,699 75	
	Liberty		11.00	4,523	49,753 00		600 00		50,353 00	
Dunklin			9.65	4,523	43,646 95				43,646 95	
	Union		9.65	4,523	43,646 95				43,646 95	
Totals						$153,284 47		$900 00		$154,184 47

ITEMIZED STATEMENT.

Length of road in State of Missouri	33.89	
33.89 miles rolling stock at $920.0455 per mile	$31,180 33	
33.89 miles road-bed and superstructure at $3,000 per mile	101,670 00	
"All other property" at $602.9545 per mile	20,434 14	
Buildings on right of way	900 00	
Total		$154,184 47

M—10

9885

SUMMARY OF THE ST. LOUIS & SAN FRANCISCO SYSTEM.

ST. LOUIS & SAN FRANCISCO RAILROAD.

325.02 miles main line	$5,851,378 30
2.31 miles Arkansas & Oklahoma Branch	8,633 51
43.94 miles Missouri & Western Branch	558,965 18
41.12 miles St. Louis, Salem & Arkansas Branch	189,431 52
38.79 miles Springfield & Northern Branch	229,366 34
34.14 miles Springfield & Southern Branch	174,370 44
32.24 miles St. Louis, Arkansas & Texas Branch	406,660 64
9.32 miles Oronogo Branch, Missouri & Western Railway	107,599 60
20.45 miles Joplin Railway Branch	215,425 75
6.10 miles Joplin & Galena Branch, Missouri & Western Railway	58,230 60
3.12 miles Springfield Connecting Railway Branch	38,023 52
142.70 miles Kansas City, Osceola & Southern Branch	1,087,901 10

KANSAS CITY, FORT SCOTT & MEMPHIS RAILWAY.

227.18 miles main line	3,814,715 20
7.01 miles Cherryvale Branch	50,192 46
13.07 miles Short Creek & Joplin Branch	107,961 22
15.47 miles Rich Hill Branch	128,071 62
37.67 miles Aurora Branch	249,687 82
81.94 miles Current River Branch	587,749 24

ST. LOUIS, MEMPHIS & SOUTHEASTERN RAILROAD.

224.57 miles main line	2,710,192 09
15.85 miles Hayti to Grassy Bayou	94,847 85
81.41 miles Shepley to State Line	556,827 11
45.79 miles Mingo to Hunter	284,370 09
114.00 miles Gulf Junction to State Line	728,854 00
25.60 miles Zalma to Bloomfield	153,177 60
18.30 miles Kennett to Hayti	108,454 30
4.30 miles Campbell to Gibson	25,560 30
12.40 miles Wardell to Deering	73,420 40
10.97 miles Wardell to Tallpoosa	64,953 37
7.30 miles Clarkton to Malden	43,223 30
13.02 miles Vanduser to Aquilla	58,889 46
33.99 miles Bloomfield to Campbell	154,184 47
1,688.97 miles. Total	$18,921,318 40

STATE BOARD OF EQUALIZATION.

5161 241

5162

988 5½

ST. LOUIS SOUTHWESTERN RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the St. Louis Southwestern Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Mississippi			22.05	$12,206		$269,142 30		$3,300 00		$272,442 30
	Ohio		9.25	12,206	$112,905 50		$2,400 00		$115,305 50	
	Tywappity		4.44	12,206	54,194 64		100 00		54,294 64	
	St. James		8.36	12,206	102,042 16		800 00		102,842 16	
		East Prairie	.36	12,206	4,394 16		575 00		4,969 16	
		Anniston	1.42	12,206	17,332 52				17,332 52	
New Madrid			35.03	12,206		427,576 18		2,000 00		430,476 18
	East		4.67	12,206	57,002 02		500 00		57,502 02	
	New Madrid		11.67	12,206	141,711 66		1,800 00		143,511 66	
	Como		18.75	12,206	228,862 50		600 00		229,462 50	
Dunklin			12.71	12,206		155,138 26		4,800 00		159,938 26
	Cotton Hill		5.44	12,206	66,400 64		4,000 00		70,400 64	
	Union		7.27	12,206	88,737 62		800 00		89,537 62	
		Campbell	.51	12,206	6,225 06		600 00		6,825 06	
		Malden	1.50	12,206	18,309 00		1,200 00		19,509 00	
Totals						$852,856 74		$11,000 00		$862,856 74

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On motion, the following accounts were approved by the Board:

Joseph W. Folk, member, 96 days	$480 00
J. F. Gmelich, member, 96 days	480 00
H. S. Hadley, member, 96 days	480 00
John E. Swanger, member, 96 days	480 00
Wm. W. Wilder, member, 96 days	480 00
W. A. Morrow, stenographer	480 00
Postage	400 00
T. S. Reed, Notary Public	2 50

The Secretary laid before the Board the tables of the valuation of all railroad, bridge, telegraph and telephone property, as apportioned to the counties and municipal divisions thereof, and the city of St. Louis, which were examined and found correctly extended, in conformity with the orders of the Board; whereupon they were approved and adopted as the assessment of railroad, bridge, telegraph and telephone property, for the taxes of the year 1907, as set out in the following tables, and are ordered spread upon the record of the proceedings of the Board, and made a part thereof.

Ex "B"
P 52 to 56 inclusive

ATCHISON, TOPEKA & SANTA FE RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Atchison, Topeka & Santa Fe Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Clark			21.49	$20,717		$445,208 33		$7,200 00		$452,408 33
	Sweet Home		6.43	20,717	$133,210 31		$3,600 00		$136,810 31	
	Madison		.66	20,717	13,673 22				13,673 22	
	Lincoln		8.17	20,717	169,257 89				169,257 89	
	Wyaconda		5.30	20,717	109,800 10		3,600 00		113,400 10	
	Washington		.93	20,717	19,266 81				19,266 81	
		Revere	.48	20,717	9,944 16		1,000 00		10,944 16	
		Wyaconda	.68	20,717	14,087 58		3,600 00		17,687 58	
Scotland			10.24	20,717		212,142 08		2,800 00		214,942 08
	Harrison		7.17	20,717	148,540 89		1,400 00		149,940 89	
	Sand Hill		3.07	20,717	63,601 19		1,400 00		65,001 19	
		Rutledge	.43	20,717	8,908 31		1,400 00		10,308 31	
		South Gorin	.53	20,717	10,980 01		1,400 00		12,380 01	
Knox			17.75	20,717		367,726 75		6,260 00		373,986 75
	Benton		5.02	20,717	103,999 34				103,999 34	
	Greensburg		4.94	20,717	102,341 98		3,260 00		105,601 98	
	Lyon		7.79	20,717	161,385 43		3,000 00		164,385 43	
		Baring	.72	20,717	14,916 24		3,260 00		18,176 24	
Adair			10.28	20,717		212,970 76		1,400 00		214,370 76
	Salt River		1.90	20,717	39,362 30				39,362 30	
	Wilson		8.38	20,717	173,608 46		1,400 00		175,008 46	
		Gibbs	.62	20,717	12,844 54		1,400 00		14,244 54	
Macon			26.93	20,717		557,908 81		7,000 00		564,908 81
	LaPlata		2.00	20,717	41,434 00		3,900 00		45,334 00	
	Richland		7.29	20,717	151,026 93				151,026 93	
	Easley		1.81	20,717	37,497 77				37,497 77	
	Walnut Creek		6.93	20,717	143,568 81		1,300 00		144,868 81	
	White		2.30	20,717	47,649 10		1,800 00		49,449 10	
	Russell		6.60	20,717	136,732 20				136,732 20	
		La Plata	.84	20,717	17,402 28		3,900 00		21,302 28	
		Biddle	.50	20,717	10,358 50		1,300 00		11,658 50	
		Ethel	.52	20,717	10,772 84		1,800 00		12,572 84	
Linn			9.93	20,717		205,719 81		8,380 00		214,099 81
	Bucklin		6.37	20,717	131,967 29		1,180 00		133,147 29	
	Marceline		3.56	20,717	73,752 52		7,200 00		80,952 52	
		Bucklin	.74	20,717	15,330 58		1,180 00		16,510 58	
		Marceline	2.38	20,717	49,306 46		7,200 00		56,506 46	

Chariton			21.55	20,717		446,451 35		3,450 00		449,901 35
	Clark		.80	20,717	16,573 60				16,573 60	
	Yellow Creek		8.87	20,717	183,759 79		800 00		184,559 79	
	Mendon		7.19	20,717	148,955 23		1,150 00		150,105 23	
	Triplett		4.69	20,717	97,162 73		1,500 00		98,662 73	
		Mendon	.30	20,717	6,215 10		1,150 00		7,365 10	
		Dean Lake	.31	20,717	6,422 27		1,150 00		7,572 27	
Carroll			31.19	20,717		646,163 23		10,140 00		656,303 23
	Rockford		2.58	20,717	53,449 86				53,449 86	
	Ridge		4.16	20,717	86,182 72				86,182 72	
	Combs		4.55	20,717	94,262 35		2,180 00		88,362 72	
	Carrollton		5.41	20,717	112,078 97		6,080 00		94,262 35	
	Wakenda		1.84	20,717	38,119 28				118,158 97	
	Moss Creek		6.34	20,717	131,345 78				38,119 28	
	Egypt		6.31	20,717	130,734 27		1,880 00		131,345 78	
		Bosworth	.56	20,717	11,601 52		2,180 00		132,604 27	
		Carrollton	1.12	20,717	23,203 04		5,000 00		13,781 52	
		Norborne	.88	20,717	18,230 96		1,880 00		28,203 04	
Ray			24.49	20,717		507,359 33		6,700 00	20,110 96	514,059 33
	Crooked River		6.45	20,717	133,624 65		1,200 00		134,824 65	
	Richmond		4.45	20,717	92,190 65		3,300 00		95,490 65	
	Camden		7.74	20,717	160,349 58		900 00		161,249 58	
	Orrick		5.85	20,717	121,194 45		1,300 00		122,494 45	
		Hardin	.51	20,717	10,565 67		1,200 00		11,765 67	
		Lexington Jct	.27	20,717	5,593 59		3,300 00		8,893 59	
		Camden	1.02	20,717	21,131 34		900 00		22,031 34	
Jackson			21.66	20,717		448,730 22		60,670 00		509,400 22
	Fort Osage		5.92	20,717	122,644 64		1,070 00		123,714 64	
	Blue		12.99	20,717	269,113 83		4,600 00		273,713 83	
	Kaw		2.75	20,717	56,971 75		55,000 00		111,971 75	
		Kansas City	1.99	20,717	41,226 83		55,000 00		96,226 83	
Totals						$4,050,380 67		$114,000 00		$4,164,380 67

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STATE BOARD OF EQUALIZATION. 5165 83

ITEMIZED STATEMENT.

Length of road in State of Missouri	271.91	
Length of road in other States	9,221.54	
Total	9,493.45	
ROLLING STOCK.		
1,672 locomotives at $4,000	$6,688,000 00	
117 chair cars at $3,500	409,500 00	
441 passenger cars at $2,250	992,250 00	
28 dining and cafe cars at $5,000	140,000 00	
34 business cars at $3,500	119,000 00	
50 postal cars at $2,000	100,000 00	
22 express cars at $1,500	33,000 00	
219 combination cars at $1,500	328,500 00	
136 baggage cars at $1,000	136,000 00	
636 caboose cars at $400	254,400 00	
20,178 box and furniture cars at $250	5,044,500 00	
4,723 stock cars at $250	1,180,750 00	
4,727 flat and ballast cars at $200	945,400 00	
8,647 coal cars at $200	1,729,400 00	
1,090 oil tank cars at $400	436,000 00	
101 water tank cars at $250	25,250 00	
4 wrecking and ditching cars at $650	2,600 00	
17 steam shovel cars at $1,500	25,500 00	
21 pile-driver cars at $1,000	21,000 00	
21 derrick cars at $450	9,450 00	
3 snow plows at $5,000	15,000 00	
2 rail saw cars at $5,000	10,000 00	
17 snow flanger and plow cars at $200	3,400 00	
2 air brake instruction cars at $5,000	10,000 00	
31 tool and shop cars at $250	7,750 00	
3 weed burner cars at $600	1,800 00	
3 paint cars at $400	1,200 00	
61 miscellaneous cars at $250	15,250 00	
Total rolling stock used over 9,493.45 miles	$18,684,900 00	
9,221.54 miles rolling stock to other states at $1,968.1886 per mile	18,149,729 84	
Proportion of rolling stock to this state	$535,170 16	
76.40 miles rolling stock to St. Joseph branch at $1,968.1886 per mile	150,389 60	
Proportion of rolling stock to main line this State	$384,800 56	
4.222 standard Pullman sleeping cars at $6,500	27,443 60	
1.921 tourist Pullman sleeping cars at $1,500	2,881 50	
Total rolling stock to main line this State at $2,123.2932 per mile	$415,125 06	
195.51 miles road-bed and superstructure at $12,750 per mile	2,492,752 50	
Buildings on right of way	114,000 00	
"All other property" at $5,843.7068 per mile	1,142,503 11	
Total		$4,164,380 67

ATCHISON, TOPEKA & SANTA FE RAILWAY (St. Joseph Branch).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Buchanan			20.07	$11,224		$225,265 68		$1,980 00		$227,245 68
	Washington		4.26	11,224	47,814 24		$500 00		$48,314 24	
	Center		4.84	11,224	54,324 16				54,324 16	
	Agency Ford		2.12	11,224	23,794 88		1,030 00		24,824 88	
	Tremont		8.85	11,224	99,332 40		450 00		99,782 40	
		St. Joseph	1.73	11,224	19,417 52		400 00		19,817 52	
		Agency Ford	.56	11,224	6,285 44		1,030 00		7,315 44	
Clinton			25.95	11,224		291,262 80		2,690 00		293,952 80
	Atchison		7.09	11,224	79,578 16				79,578 16	
	Concord		8.72	11,224	97,873 28		1,240 00		99,113 28	
	Lathrop		2.78	11,224	31,202 72		1,000 00		32,202 72	
	Jackson		7.36	11,224	82,608 64		450 00		83,058 64	
		Gower	.51	11,224	5,724 24				5,724 24	
		Plattsburg	1.03	11,224	11,560 72		1,240 00		12,800 72	
		Lathrop	.29	11,224	3,254 96		1,000 00		4,254 96	
Clay			1.81	11,224		20,315 44				20,315 44
	Washington		1.81	11,224	20,315 44				20,315 44	
Ray			28.57	11,224		320,669 68		3,840 00		324,509 68
	Polk		4.67	11,224	52,416 08		600 00		53,016 08	
	Vibbard		4.64	11,224	52,079 36		600 00		52,679 36	
	Richmond		19 26	11,224	216,174 24		2,640 00		218,814 24	
		Lawson	.79	11,224	8,866 96		600 00		9,466 96	
		Vibbard	.40	11,224	4,489 60		600 00		5,089 60	
		Rayville	.65	11,224	7,295 60		500 00		7,795 60	
		Richmond	1.70	11,224	19,080 80		1,200 00		20,280 80	
		Lexington Jct	.20	11,224	2,244 80				2,244 80	
Totals						$857,713 60		$8,510 00		$866,023 60

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STATE BOARD OF EQUALIZATION.

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ITEMIZED STATEMENT.

Length of road in State of Missouri	76.40	
76.40 miles rolling stock at $1,968.1886 per mile	$150,369 60	
76.40 miles road-bed and superstructure at $7,500 per mile	573,000 00	
Buildings on right of way	8,510 00	
"All other property" at $1,755.8114 per mile	134,144 00	
Total		$866,023 60

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CHICAGO, ROCK ISLAND & PACIFIC RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Rock Island & Pacific Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county
Mercer			24.69	$18,970		$468,369 30		$3,200 00		$471,569 30
	Marion		8.66	18,970	$164,280 20		$1,000 00		$165,280 20	
	Princeton		8.57	18,970	162,572 90		1,600 00		164,172 90	
	Miller		7.46	18,970	141,516 20		600 00		142,116 20	
		South Lineville	.35	18,970	6,639 50		500 00		7,139 50	
		Marion	.50	18,970	9,485 00		550 00		10,035 00	
		Princeton	1.00	18,970	18,970 00		1,500 00		20,470 00	
		Miller	.50	18,970	9,485 00		600 00		10,085 00	
Grundy			28.73	18,970		507,068 10		7,200 00		514,268 10
	Franklin		4.21	18,970	79,863 70		600 00		80,463 70	
	Lincoln		6.08	18,970	115,337 60		450 00		115,787 60	
	Trenton		6.57	18,970	124,632 90		5,650 00		130,282 90	
	Jackson		3.32	18,970	62,980 40				62,980 40	
	Jefferson		6.55	18,970	124,253 50		500 00		124,753 50	
		Spickardsville	.75	18,970	14,227 50		550 00		14,777 50	
		Trenton	1.06	18,970	20,108 20		5,500 00		25,608 20	
Daviess			28.26	18,970		536,092 20		4,100 00		540,192 20
	Jamesport		4.93	18,970	93,522 10		550 00		94,072 10	
	Jackson		1.57	18,970	29,782 90		50 00		29,832 90	
	Union		6.72	18,970	127,478 40		1,400 00		128,878 40	
	Liberty		6.25	18,970	118,562 50		1,500 00		120,062 50	
	Jefferson		2.35	18,970	44,579 50				44,579 50	
	Colfax		6.44	18,970	122,166 80		600 00		122,766 80	
		Jamesport	.57	18,970	10,812 90		550 00		11,362 90	
		Winston	.80	18,970	15,176 00		350 00		15,526 00	
		Gallatin		18,970			400 00		400 00	
De Kalb			4.77	18,970		90,486 90				90,486 90
	Grand River		4.77	18,970	90,486 90				90,486 90	
Totals						$1,602,016 50		$14,500 00		$1,616,516 50

Ex "C"
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ITEMIZED STATEMENT.

Length of road in State of Missouri	232.33	
Length of road in other States	7,512.79	
Total	7,745.12	
ROLLING STOCK.		
1,193 locomotives at $4,000	$4,772,000 00	
70 chair cars at $3,500	245,000 00	
378 passenger cars at $2,250	850,500 00	
123 combination cars at $1,500	184,500 00	
25 dining cars at $5,000	125,000 00	
29 business cars at $3,500	101,500 00	
41 postal cars at $2,000	82,000 00	
205 baggage cars at $1,000	205,000 00	
495 caboose cars at $400	198,000 00	
26,863 box cars at $250	6,715,750 00	
4,132 stock cars at $250	1,133,000 00	
8,524 flat and coal cars at $200	1,704,800 00	
2,163 hand and push cars at $10	21,630 00	
196 other cars at $250	49,000 00	
Total rolling stock used over 7,745.12 miles	$16,387,680 00	
7,512.79 miles rolling stock to other States at $2,115.8717 per mile	15,896,099 53	
Proportion of rolling stock to this State	$491,580 47	
147.88 miles rolling stock to branches, this State at $2,115.8717 per mile	312,895 10	
Proportion of rolling stock to main line, this State	$178,685 37	
1,650 standard Pullman sleeping cars at $6,500	10,725 00	
1,280 tourist Pullman sleeping cars at $1,500	1,920 00	
Total rolling stock to main line, this State at $2,265.6053 per mile	$191,330 37	
84.45 miles road-bed and superstructure at $11,500 per mile	971,175 00	
Buildings on right of way	14,500 00	
"All other property" at $5,204.3947 per mile	439,511 13	
Total		$1,616,516 50

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CHICAGO, ROCK ISLAND & PACIFIC RAILWAY (St. Joseph Branch).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Daviess			7.07	$12,710		$89,859 70		$1,600 00		$91,459 70
DeKalb	Jefferson		7.07	12,710	$89,859 70		$1,600 00		$91,459 70	
			25.84	12,710		328,426 40		3,560 00		331,986 40
	Adams		7.18	12,710	91,257 80		800 00		92,057 80	
	Camden		7.77	12,710	98,756 70		1,500 00		100,256 70	
	Sherman		5.10	12,710	64,821 00		60 00		64,881 00	
	Washington		5.79	12,710	73,590 90		1,200 00		74,790 90	
		Maysville	.50	12,710	6,355 00		1,000 00		7,355 00	
		Clarksdale	.33	12,710	4,194 30		760 00		4,954 30	
		Weatherby	.41	12,710	5,211 10		415 00		5,626 10	
Buchanan			16.33	12,710		207,554 30		16,500 00		224,054 30
	Marion		7.09	12,710	90,113 90		1,100 00		91,213 90	
	Washington		9.24	12,710	117,440 40		15,400 00		132,840 40	
		St. Joseph	1.92	12,710	24,403 20		15,400 00		39,803 20	
Totals						$625,840 40		$21,660 00		$647,500 40

ITEMIZED STATEMENT.

Length of road in State of Missouri	49.24	
49.24 miles rolling stock at $2,115.8717 per mile	$104,185 52	
49.24 miles road-bed and superstructure at $8,300 per mile	408,692 00	
Buildings on right of way	21,660 00	
"All other property" at $2,294.1283 per mile	112,962 88	
Total		$647,500 40

STATE BOARD OF EQUALIZATION.

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CHICAGO, ROCK ISLAND & PACIFIC RAILWAY (LEAVENWORTH BRANCH).

County	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property." No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Buildings. Valuation in subdivision.	Valuation in county.	Totals. Value in subdivision.	Value in county.
Clinton			28.09	$9,851		$276,714 59		$5,000 00		$281,714 59
	Shoal		6.94	9,851	$68,365 94		$3,250 00		$71,615 94	
	Platte		6.72	9,851	66,198 72		600 00		66,798 72	
	Concord		6.35	9,851	62,553 85		600 00		63,153 85	
	Atchison		4.83	9,851	47,580 33				47,580 33	
	Hardin		3.25	9,851	32,015 75		350 00		32,365 75	
		Cameron	1.16	9,851	11,427 16		3,250 00		14,677 16	
		Plattsburg	.46	9,851	4,531 46		600 00		5,131 46	
Platte			25.99	9,851		256,027 49		4,450 00		260,477 49
	Preston		4.96	9,851	48,860 96		650 00		49,510 96	
	Greene		5.32	9,851	52,407 32		2,000 00		54,407 32	
	Fair		12.38	9,851	121,955 38		900 00		122,855 38	
	Lee		3.33	9,851	32,803 83		900 00		33,703 83	
		Edgerton	.26	9,851	2,561 26		700 00		3,261 26	
		Tracy	.20	9,851	1,970 20		600 00		2,570 20	
Totals						$532,742 08		$9,450 00		$542,192 08

ITEMIZED STATEMENT.

Length of road in State of Missouri	54.08	
54.08 miles rolling stock at $2,115.8717 per mile	$114,426 34	
54.08 miles road-bed and superstructure at $6,000 per mile	324,480 00	
Buildings on right of way	9,450 00	
"All other property" at $1,735.12 83. per mile	93,835 74	
Total		$542,192 08

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CHICAGO, ROCK ISLAND & PACIFIC RAILWAY (ATCHISON BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property." No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Buildings. Valuation in subdivision.	Valuation in county.	Totals. Value in subdivision.	Value in county.
Buchanan			33.59	$9,260		$311,043 40		$1,500 00		$312,543 40
	Crawford		4.54	9,260	$42,040 40		$400 00		$42,440 40	
	Bloomington		7.12	9,260	65,931 20		400 00		66.331 20	
	Rush		9.82	9,260	90,933 20		400 00		91,333 20	
	Lake		.45	9,260	4,167 00				4,167 00	
	Wayne		8.33	9,260	77,135 80		300 00		77,435 80	
	Washington		3.33	9,260	30,835 80				30,835 80	
		St. Joseph	.88	9,260	8,148 80				8,148 80	
Platte			10.42	9,260		96,489 20		600 00		97,089 20
	Greene		10.42	9,260	96,489 20		600 00		97,089 20	
		Dearborn	.20	9,260	1,852 00		600 00		2,452 00	
Totals						$407,532 60		$2,100 00		$409,632 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	44.01	
44.01 miles rolling stock at $2,115.8717 per mile	$93,119 52	
44.01 miles road-bed and superstructure at $5,700 per mile	250,857 00	
Buildings on right of way	2,100 00	
"All other property" at $1,444.1283 per mile	63,556 08	
Total		$409,632 60

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STATE BOARD OF EQUALIZATION. 5178 113

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY (WESTERN DIVISION).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jackson			.55	$39,878		$21,932 90		$15,000 00		$36,932 90
	Kaw		.55	39,878	$21,932 90		$15,000 00		$36,932 90	
		Kansas City	.55	39,878	21,932 90		15,000 00		36,932 90	
Totals						$21,932 90		$15,000 00		$36,932 90

ITEMIZED STATEMENT.

Length of road in State of Missouri	.55	
.55 miles rolling stock at $2,115.8717 per mile	$1,163 78	
.55 miles road-bed and superstructure at $20,000 per mile	11,000 00	
Buildings on right of way	15,000 00	
"All other property" at $17,762.1283 per mile	9,769 18	
Total		$36,932 90

ST. LOUIS, KANSAS CITY & COLORADO RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the St. Louis, Kansas City & Colorado Railroad Company on the first [illegible] day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
St. Louis City			.94	$10,847		$10,196 18		$500 00		$10,696 18
St. Louis Co	New Limits		.94	10,847	$10,196,18		$500 00		$10,696 18	
	Central		29.10	10,847		315,647 70		1,700 00		317,347 70
	St. Ferdinand		10.21	10,847	110,747 87		500 00		111,247 87	
	Bonhomme		1.78	10,847	19,307 66				19,307 66	
	Meramec		8.11	10,847	87,969 17		700 00		88,669 17	
Franklin			9.00	10,847	97,623 00		500 00		98,123 00	
	Boles		47.57	10,847		515,991 79		5,400 00		521,391 79
	Union		17.76	10,847	192,642 72		1,200 00		193,842 72	
	Central		16.99	10,847	184,290 53		3,500 00		187,790 53	
	Lyon		2.00	10,847	21,694 00				21,694 00	
	Boone		3.53	10,847	38,289 91				38,289 91	
		Union	7.29	10,847	79,074 63		700 00		79,774 63	
Gasconade			.47	10,847	5,098 09		3,000 00		8,098 09	
	Canaan		17.95	10,847		194,703 65		1,750 00		196,453 65
	Third Creek		9.77	10,847	105,975 19		1,150 00		107,125 19	
	Burbois		5.76	10,847	62,478 72		600 00		63,078 72	
		Owensville	2.42	10,847	26,249 74				26,249 74	
		Bland	.93	10,847	10,087 71		850 00		10,937 71	
Osage			.25	10,847	2,711 75		400 00		3,111 75	
	Jefferson		26.92	10,847		292,001 24		2,950 00		294,951 24
	Washington		5.44	10,487	59,007 68		250 00		59,257 68	
	Jackson		10.70	10,847	116,062 90		2,100 00		118,162 90	
Maries			10.78	10,847	116,930 66		600 00		117,530 66	
	North Jefferson		8.48	10,847		91,982 56		2,600 00		94,582 56
	Jackson		6.76	10,847	73,325 72		2,600 00		75,925 72	
Miller			1.72	10,847	18,656 84				18,656 84	
	Jim Hensy		21.40	10,847		233,102 03		8,200 00		241,302 03
	Saline		7.71	10,847	83,630 37		800 00		84,430 37	
		Eldon	13.78	10,847	149,471 66		7,400 00		156,871 66	
Cole			1.62	10,847	17,572 14		6,700 00		24,272 14	
	Clark		5.75	10,847		62,370 25		1,400 00		63,770 25
Morgan			5.75	10,847	62,370 25		1,400 00		63,770 25	
	Moreau		26.55	10,847		287,987 85		3,100 00		291,087 85
	Haw Creek		14.43	10,847	156,522 21		2,400 00		158,922 21	
			12.12	10,847	131,465 64		700 00		132,165 64	
		Versailles	.58	10,847	6,291 26		1,200 00		7,491 26	

8686

ST. LOUIS, KANSAS CITY & COLORADO RAILROAD—Continued.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Benton			21.11	$10,847		$228,980 17		$3,600 00		$232,580 17
	Williams		13.63	10,847	$147,844 61		$2,100 00		$149,944 61	
	White		5.99	10,847	64,973 53		800 00		65,773 53	
	Washington		1.49	10,847	16,162 03		700 00		16,862 03	
Pettis			4.81	10,847		52,174 07				52,174 07
	Green Ridge		4.81	10,847	52,174 07				52,174 07	
Henry			4.73	10,847		51,306 31		2,100 00		53,406 31
	Windsor		4.73	10,847	51,306 31		2,100 00		53,406 31	
		Windsor	.55	10,847	5,965 85		2,100 00		8,065 85	
Johnson			31.68	10,847		343,632 96		4,500 00		348,132 96
	Jefferson		1.82	10,847	19,741 54		500 00		20,241 54	
	Post Oak		8.84	10,847	95,887 48		900 00		96,787 48	
	Chilhowee		10.01	10,847	108,578 47		1,300 00		109,878 47	
	Rose Hill		11.01	10,847	119,425 47		1,800 00		121,225 47	
Cass			14.94	10,847		162,054 18		2,700 00		164,754 18
	Index		3.44	10,847	37,313 68				37,313 68	
	Polk		3.61	10,847	39,157 67		700 00		39,857 67	
	Pleasant Hill		4.91	10,847	53,258 77		2,000 00		55,258 77	
	Big Creek		2.98	10,847	32,324 06				32,324 06	
		Pleasant Hill	1.00	10,847	10,847 00		2,000 00		12,847 00	
Jackson			21.13	10,847		229,197 11		9,900 00		232,097 11
	Prairie		9.72	10,847	105,432 84		2,200 00		107,632 84	
	Brookings		11.23	10,847	121,811 81		700 00		122,511 81	
	Kaw		.18	10,847	1,952 46				1,952 46	
		Kansas City	.18	10,847	1,952 46				1,952 46	
Totals						$3,071,328 05		$43,400 00		$3,114,728 05

ITEMIZED STATEMENT.

Length of road in State of Missouri	283.15	
ROLLING STOCK.		
30 locomotives at $4,000	$120,000 00	
8 passenger cars at $2,250	18,000 00	
5 combination cars at $1,500	7,500 00	
1 business car at $3,500	3,500 00	
2 baggage cars at $1,000	2,000 00	
5 caboose cars at $400	2,000 00	
175 box cars at $250	43,750 00	
360 flat and coal cars at $200	72,000 00	
200 hand and push cars at $10	2,000 00	
10 all other cars at $250	2,500 00	
1,700 standard Pullman sleeping cars at $6,500	11,050 00	
Total rolling stock ($1,004 0614 per mile)	$284,300 00	
283.15 miles road-bed and superstructure at $7,842 per mile	2,220,462 30	
Buildings on right of way	43,400 00	
"All other property" at $2,000 9386 per mile	566,565 75	
Total		$3,114,728 05

SUMMARY OF THE CHICAGO, ROCK ISLAND & PACIFIC SYSTEM.

84.45 miles Main Line	$1,616,516 50	
49.24 miles St. Joseph Branch	647,500 40	
54.08 miles Leavenworth Branch	542,192 08	
44.01 miles Atchison Branch	409,632 60	
.55 miles Western Division	36,932 90	
283.15 miles St. Louis, Kansas City & Colorado	3,114,728 05	
515.48 miles. Total		$6,367,502 53

8127 117

9900

HANNIBAL CONNECTING RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Hannibal Connecting Railroad Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Ralls			5.00	$7,300		$36,500 00		$300 00		$36,800 00
	Saverton		5.00	7,300	$36,500 00		$300 00		$36,800 00	
Totals						$36,500 00		$300 00		$36,800 00

ITEMIZED STATEMENT.

Length of road in State of Missouri	5.00	
ROLLING STOCK.		
5 locomotives at $2,500	$12,500 00	
1 coal crane at $250	250 00	
1 locomotive crane at $250	250 00	
120 stone cars at $50	6,000 00	
10 gondola cars at $250	2,500 00	
Total rolling stock ($4,300.00 per mile)	$21,500 00	
5.00 miles road-bed and superstructure at $2,500 per mile	12,500 00	
Buildings on right of way	300 00	
"All other property" at $500.00 per mile	2,500 00	
Total		$36,800 00

PAGE BOUND VER

Polk			29.31	7,700		225,687 00		5,000 00		230,687 00
	Johnson		9.40	7,700	72,380 00		2,260 00		74,640 00	
	Madison		11.37	7,700	87,549 00		2,225 00		89,774 00	
	Jackson		8.54	7,700	65,758 00		515 00		66,273 00	
		Humansville	.90	7,700	6,930 00		1,500 00		8,430 00	
		Fair Play	.50	7,700	3,850 00		1,000 00		4,850 00	
		Aldrich	.25	7,700	1,925 00		500 00		2,425 00	
Greene			9.38	7,700		72,226 00		2,300 00		74,526 00
	Walnut Grove		4.23	7,700	32,571 00		1,000 00		33,571 00	
	Boone		5.15	7,700	39,655 00		1,300 00		40,955 00	
		Ash Grove	1.00	7,700	7,700 00		1,300 00		9,000 00	
Totals						$1,162,084 00		$27,600 00		$1,189,684 00

ITEMIZED STATEMENT.

Length of road in State of Missouri	150.92	
Length of road in other States	11.68	
Total	162.60	
ROLLING STOCK.		
12 locomotives at $4,000	$48,000 00	
6 passenger cars at $2,500	15,000 00	
3 combination cars at $1,500	4,500 00	
7 caboose cars at $400	2,800 00	
35 box cars at $250	8,750 00	
55 flat and coal cars at $200	11,000 00	
44 hand and push cars at $10	440 00	
Total rolling stock used over 162.60 miles	$90,490 00	
11.68 miles rolling stock to other States at $556.5190 per mile	6,500 15	
Proportion of rolling stock to this State	$83,989 85	
150.92 miles road-bed and superstructure at $5,260 per mile	793,839 20	
Buildings on right-of way	27,600 00	
"All other property" at $1,883.4810 per mile	284,254 95	
Total		$1,189,684 00

9901

STATE BOARD OF EQUALIZATION.

Ex "D"
P. 120 to 122 inclusive

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KANSAS CITY SOUTHERN RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Kansas City Southern Railway Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jackson			15.87	$15,010		$238,208 70		$40,600 00		$278,808 70
	Kaw		6.93	15,010	$104,019 30		$40,000 00		$144,019 30	
	Blue		3.86	15,010	57,938 60				57,938 60	
	Brookings		.95	15,010	14,259 50				14,259 50	
	Westport		.23	15,010	3,452 30				3,452 30	
	Washington		3.90	15,010	58,539 00		600 00		59,139 00	
		Kansas City	7.98	15,010	80,753 80		38,500 00		119,253 80	
Cass			26.34	15,010		395,363 40		2,500 00		397,863 40
	Mt. Pleasant		6.15	15,010	92,311 50		200 00		92,511 50	
	Union		6.25	15,010	93,812 50		800 00		94,612 50	
	West Dolan		7.74	15,010	116,177 40		400 00		116,577 40	
	Coldwater		6.20	15,010	93,062 00		1,100 00		94,162 00	
		Drexel	.65	15,010	9,756 50		550 00		10,306 50	
Bates			29.58	15,010		443,995 80		2,500 00		446,495 80
	West Boone		5.68	15,010	85,256 80		500 00		85,756 80	
	West Point		6.00	15,010	90,060 00		400 00		90,460 00	
	Homer		6.00	15,010	90,060 00		400 00		90,460 00	
	Walnut		7.79	15,010	116,927 90		450 00		117,377 90	
	Howard		4.11	15,010	61,691 10		750 00		62,441 10	
		Merwin	.28	15,010	4,202 80		450 00		4,652 80	
		Amsterdam	.27	15,010	4,052 70		400 00		4,452 70	
		Hume	.20	15,010	3,002 00		700 00		3,702 00	
Vernon			28.57	15,010		428,835 70		2,000 00		430,835 70
	Heary		8.38	15,010	125,783 80		700 00		126,483 80	
	Richland		6.20	15,010	93,062 00		400 00		93,462 00	
	Coal		5.93	15,010	89,009 30		400 00		89,409 30	
	Harrison		8.06	15,010	120,980 60		500 00		121,480 60	
		Stotesburg	.37	15,010	5,553 70		400 00		5,953 70	
		Richards	.75	15,010	11,257 50		400 00		11,657 50	
Barton			8.74	15,010		131,187 40		1,000 00		132,187 40
	Leroy		6.08	15,010	91,260 80		600 00		91,860 80	
	Ozark		2.66	15,010	39,926 60		400 00		40,326 60	
		Burgess	.50	15,010	7,505 00		400 00		7,905 00	
Jasper			19.47	15,010		292,244 70		7,250 00		299,494 70
	Jasper		2.78	15,010	41,727 80		400 00		42,127 80	
	Twin Grove		8.06	15,010	120,980 60		250 00		121,230 60	

9902

	Galena		2.84	15,010	42,628 40		6,600 00		49,228 40	
	Joplin		5.79	15,010	86,907 90				86,907 90	
		Asbury	.39	15,010	4,352 90		400 00		4,752 90	
		Carl Junction	.25	15,010	3,752 50		250 00		4,002 50	
		Joplin	2.95	15,010	44,279 50		5,150 00		49,429 50	
	Old Mineral		2.62	15,010	39,936 20				39,936 20	
Newton			24.94	15,010		374,349 40		2,450 00		376,799 40
	Shoal Creek		6.40	15,010	96,06' 00		200 00		96,264 00	
	Marion		1.92	15,010	28,819 20		200 00		29,019 20	
	Neosho		10.38	15,010	155,803 80		1,850 00		157,653 80	
	Benton		6.24	15,010	93,662 40		200 00		93,862 40	
		Neosho	1.95	15,010	29,269 50		1,600 00		30,869 50	
McDonald			20.97	15,010		314,759 70		2,450 00		317,209 70
	Erie		5.96	15,010	89,459 60		400 00		89,859 60	
	Anderson		8.16	15,010	122,481 60		600 00		123,081 60	
	Pineville		1.69	15,010	25 366 90		1,000 00		26,366 90	
	Elk River		5.18	15,010	77,451 60		450 00		77,901 60	
Totals						$2,618,944 80		$60,750 00		$2,679,694 80

9903

ITEMIZED STATEMENT.

Length of road in State of Missouri	174.48	
Length of road in other States	647.61	
Total	822.09	
ROLLING STOCK.		
178 locomotives at $4,000	$712,000 00	
19 chair cars at $3,500	66,500 00	
29 passenger cars at $2,500	72,500 00	
5 excursion cars at $500	2,500 00	
9 combination cars at $1,500	13,500 00	
5 officers' cars at $5,000	25,000 00	
1 pay and business car at $3,500	3,500 00	
5 mail and express cars at $2,000	10,000 00	
14 express cars at $2,000	28,000 00	
290 boarding cars at $250	72,500 00	
67 caboose cars at $400	26,800 00	
3,712 box cars at $250	928,000 00	
387 stock cars at $250	96,750 00	
2,653 flat and coal cars at $200	530,600 00	
9 charcoal cars at $200	1,800 00	
207 furniture cars at $250	51,750 00	
200 oil tank cars at $400	80,000 00	
6 wrecking cars at $450	2,700 00	
2 pile drivers at $1,000	2,000 00	
3 steam shovel plows at $1,500	4,500 00	
304 ballast cars at $200	60,800 00	
382 hand and push cars at $10	3,820 00	
14 velocipedes at $15	210 00	
3 ditchers at $650	1,950 00	
34 other cars at $250	8,500 00	
Total rolling stock used over 822.09 miles	$2,806,180 00	
647.61 miles rolling stock to other States at $3,413.4705 per mile	2,210,597 67	
Proportion of rolling stock to this State	$595,582 33	
1.134 standard Pullman sleeping cars at $6,500	7,371 00	
1.893 buffet Pullman sleeping cars at $5,000	9,465 00	
Total rolling stock to this State at $3,509.9629 per mile	$612,418 33	
174.48 miles road-bed and superstructure at $9,500 per mile	1,657,560 00	
Buildings on right of way	80,750 00	
"All other property" at $2,000.0371 per mile	348,966 48	
Total		$2,679,694 81

ST. LOUIS & HANNIBAL RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the St. Louis & Hannibal Railway Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Marion			2.30	$5,660		$13,018 00		$1,000 00		$14,018 00
	Mason		2.30	5,660	$13,018 00		$1,000 00		$14,018 00	
		Hannibal	1.14	5,660	6,452 40		1,000 00		7,452 40	
Ralls			13.92	5,660		78,787 20		500 00		79,287 20
	Clay		6.66	5,660	37,695 60				37,695 60	
	Spencer		7.26	5,660	41,091 60		500 00		41,591 60	
		New London	.22	5,660	1,245 20		500 00		1,745 20	
Pike			29.02	5,660		164,253 20		1,400 00		165,653 20
	Peno		7.92	5,660	44,827 20		700 00		45,527 20	
	Culvre		16.26	5,660	92,031 60		200 00		92,231 60	
	Prairieville		4.84	5,660	27,394 40		500 00		27,894 40	
		Bowling Green	1.00	5,660	5,660 00		400 00		6,060 00	
		Frankford	.25	5,660	1,415 00		400 00		1,815 00	
Lincoln			33.04	5,660		187,006 40		3,000 00		190,006 40
	Union		15.70	5,660	88,862 00		1,500 00		90,362 00	
	Bedford		9.15	5,660	51,789 00		1,000 00		52,789 00	
	Clark		8.19	5,660	46,355 40		500 00		46,855 40	
		Silex	.50	5,660	2,830 00		500 00		3,330 00	
		Troy	1.00	5,660	5,660 00		300 00		5,960 00	
		Moscow Mills	.50	5,660	2,830 00		300 00		3,130 00	
St. Charles			5.77	5,660		32,658 20		1,600 00		34,258 20
	Culvre		5.77	5,660	32,658 20		1,600 00		34,258 20	
Totals						$475,723 00		$7,500 00		$483,223 00

9905

STATE BOARD OF EQUALIZATION.

Ex "E" P 193 to 195 inclusive

193

ITEMIZED STATEMENT.

Length of road in State of Missouri	102 33	
ROLLING STOCK.		
8 locomotives at $2,500	$20,000 00	
2 chair cars at $2,500	5,000 00	
5 passenger cars at $1,500	7,500 00	
3 combination cars at $1,000	3,000 00	
3 caboose cars at $400	1,200 00	
60 box cars at $250	15,000 00	
15 stock cars at $250	3,750 00	
35 flat and coal cars at $200	7,000 00	
1 pile driver at $1,000	1,000 00	
2 tool and derrick cars at $450	900 00	
1 bridge car at $250	250 00	
30 hand and push cars at $10	300 00	
10 other cars at $250	2,500 00	
Total rolling stock used over 102.33 miles	$67,400 00	
18.28 miles rolling stock to Perry Branch at $658.6533 per mile	12,040 19	
Proportion of rolling stock to main line	$55,359 81	
84.05 miles road-bed and superstructure at $4,000 per mile	336,200 00	
Buildings on right of way	7,500 00	
"All other property" at $1,001.3467 per mile	84,163 19	
Total		$483,223 00

PAGE BOUND W

ST. LOUIS & HANNIBAL RAILWAY (PERRY BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Ralls			18.28	$3,720		$68,001 60		$1,000 00		$69,001 60
	Spencer		6.30	3,720	$23,436 00		300 00		$23,436 00	
	Centre		6.30	3,720	23,436 00		700 00		23,736 00	
	Salt River		5.68	3,720	21,129 60		300 00		21,829 60	
		Centre	.61	3,720	2,269 20		500 00		2,569 20	
		Perry	.80	3,720	2,976 00				3,476 00	
Totals						$68,001 60		$1,000 00		$69,001 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	18.28	
18.28 miles rolling stock at $659.6533 per mile	$12,040 19	
18.28 miles road-bed and superstructure at $2,800 per mile	51,184 00	
Buildings on right of way	1,000 00	
"All ot er property at $261.3467 per mile	4,777 41	
Total		$69,001 60

2066

STATE BOARD OF EQUALIZATION.

8066

ST. LOUIS & SAN FRANCISCO RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the St. Louis & San Francisco Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
St. Louis City			6.44	$18,460		$118,882 40		$56,000 00		$174,882 40
	Old Limits		1.22	18,460	$22,521 20		$53,000 00		$75,521 20	
	New Limits		5.22	18,460	96,361 20		3,000 00		99,361 20	
St. Louis Co			26.46	18,460		488,451 60		5,000 00		493,451 60
	Carondelet		4.75	18,460	87,685 00		1,400 00		89,085 00	
	Bonhomme		11.87	18,460	215,428 20		2,800 00		218,928 20	
	Meramec		10.04	18,460	185,338 40		1,000 00		186,338 40	
		Webster	2.49	18,460	45,965 40		500 00		46,465 40	
		Pacific	.25	18,460	4,615 00				4,615 00	
Franklin			34.86	18,460		643,515 60		6,300 00		649,815 60
	Boles		2.63	18,460	48,549 80		1,400 00		49,949 80	
	Calvey		8.92	18,460	164,663 20		800 00		165,263 20	
	Central		14.57	18,460	268,962 20		2,600 00		271,562 20	
	Meramec		8.74	18,460	161,340 40		1,700 00		163,040 40	
		Pacific	.81	18,460	14,952 60		1,500 00		16,452 60	
		St. Clair	.64	18,460	11,814 40		1,000 00		12,814 40	
		Sullivan	.60	18,460	11,076 00		1,100 00		12,176 00	
		Moselle	.48	18,460	8,860 80		600 00		9,460 80	
Crawford			26.01	18,460		480,144 60		2,000 00		482,144 60
	Boone		8.48	18,460	156,540 80		500 00		157,040 80	
	Liberty		2.64	18,460	48,734 40		500 00		49,234 40	
	Benton		10.49	18,460	193,645 40		1,000 00		194,645 40	
	Knob View		4.40	18,460	81,224 00				81,224 00	
		Cuba	.94	18,460	17,352 40		1,000 00		18,352 40	
Phelps			32.58	18,460		601,426 80		3,700 00		605,126 80
	St. James		6.75	18,460	124,605 00		750 00		125,355 00	
	Dillon		6.92	18,460	127,743 20				127,743 20	
	Rolla		8.33	18,460	153,771 80		1,450 00		155,221 80	
	Arlington		10.58	18,460	195,306 80		1,500 00		196,806 80	
		St. James	1.00	18,460	18,460 00		750 00		19,210 00	
		Rolla	.70	18,460	12,922 00		1,450 00		14,372 00	
		Newburg	.58	18,460	10,706 80		1,200 00		11,906 80	
Pulaski			32.66	18,460		602,903 60		3,100 00		606,003 60
	Union		15.77	18,460	291,114 20		1,500 00		292,614 20	
	Tavern		7.05	18,460	130,143 00		800 00		130,943 00	
	Liberty		9.84	18,460	181,646 40		800 00		182,446 40	
		Dixon	.52	18,460	9,599 20		1,000 00		10,599 20	
		Richland	1.16	18,460	21,413 60		800 00		22,213 60	

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KANSAS CITY, CLINTON & SPRINGFIELD RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Kansas City, Clinton & Springfield Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jackson			.76	$7,697		$5,849 72				$5,849 72
	Washington		.76	7,697	$5,849 72				$5,849 72	
Cass			51.81	7,697		398,781 57		$8,730 00		407,511 57
	Mt. Pleasant		5.96	7,697	45,874 12		$750 00		46,624 12	
	Raymore		7.74	7,697	59,574 78		800 00		60,374 78	
	Big Creek		7.56	7,697	58,189 32				58,189 32	
	Pleasant Hill		1.54	7,697	11,853 38		600 00		12,453 38	
	Peculiar		7.53	7,697	57,958 41		600 00		58,558 41	
	Grand River		6.76	7,697	52,031 72		2,400 00		54,431 72	
	Camp Branch		5.72	7,697	44,026 84		880 00		44,906 84	
	Index		.89	7,697	6,850 33		1,200 00		8,050 33	
	Dayton		1.83	7,697	14,085 51				14,085 51	
	Sherman		6.28	7,697	48,337 16		1,500 00		49,837 16	
		Belton	.64	7,697	4,926 08		300 00		5,226 08	
		Raymore	.40	7,697	3,078 80		800 00		3,878 80	
		Pleasant Hill	.55	7,697	4,233 35		600 00		4,833 35	
		Harrisonville	1.27	7,697	9,775 19		2,000 00		11,775 19	
		Garden City	.36	7,697	2,770 92		1,200 00		3,970 92	
		Creighton	.25	7,697	1,924 25		1,500 00		3,424 25	
Henry			29.75	7,697		228,985 75		7,000 00		235,985 75
	Bogard		5.83	7,697	44,873 51		700 00		45,573 51	
	White Oak		1.26	7,697	9,698 22				9,698 22	
	Honey Creek		7.08	7,697	54,494 76		850 00		55,344 76	
	Davis		.10	7,697	769 70				769 70	
	Clinton		9.12	7,697	70,196 64		3,000 00		73,196 64	
	Fairview		6.36	7,697	48,952 92		2,450 00		51,402 92	
		Clinton	1.27	7,697	9,775 19		3,000 00		12,775 19	
		Deepwater	.50	7,697	3,848 50		2,450 00		6,298 50	
		Urich	.55	7,697	4,233 35				4,233 35	
St. Clair			29.91	7,697		230,217 27		5,450 00		235,667 27
	Butler		8.97	7,697	69,042 09		1,100 00		70,142 09	
	Osceola		7.84	7,697	60,344 48		2,500 00		62,844 48	
	Doyal		7.07	7,697	54,417 79		850 00		55,267 79	
	Collins		6.03	7,697	46,412 91		1,000 00		47,412 91	
		Osceola	.75	7,697	5,772 75		2,500 00		8,272 75	
		Collins	.25	7,697	1,924 25		1,000 00		2,924 25	

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KANSAS CITY, CLINTON & SPRINGFIELD RAILWAY—Continued.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Polk			29.31	$7,697		$225,599 07		$5,000 00		$230,599 07
	Johnson		9.40	7,697	$72,351 80		$2,260 00		$74,611 80	
	Madison		11.37	7,697	87,514 89		2,225 00		89,739 89	
	Jackson		8.54	7,697	65,732 38		515 00		66,247 38	
		Humansville	.90	7,697	6,927 30		1,500 00		8,427 30	
		Fair Play	.50	7,697	3,848 50		1,000 00		4,848 50	
		Aldrich	.25	7,697	1,924 25		500 00		2,424 25	
Greene			9.38	7,697		72,197 86		2,300 00		74,497 86
	Walnut Grove		4.23	7,697	32,558 31		1,000 00		33,558 31	
	Boone		5.15	7,697	39,639 55		1,300 00		40,939 55	
Totals						$1,161,631 24		$28,480 00		$1,190,111 24

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ITEMIZED STATEMENT.

Length of road in State of Missouri	150.92	
Length of road in other States	11.68	
Total	162.60	
ROLLING STOCK.		
12 locomotives at $4,000	$48,000 00	
6 passenger cars at $2,250	13,500 00	
3 combination cars at $1,500	4,500 00	
7 caboose cars at $400	2,800 00	
45 box cars at $250	11,250 00	
56 flat and coal cars at $200	11,200 00	
44 hand and push cars at $10	440 00	
Total rolling stock used over 162.60 miles	$91,690 00	
11.68 miles rolling stock to other States at $563.8991 per mile	6,586 34	
Proportion of rolling stock to this State	$85,103 66	
150.92 miles road-bed and superstructure at $5,255 per mile	793,084 60	
Buildings on right of way	28,480 00	
"All other property" at $1,878.1009 per mile	283,442 98	
Total		$1,190,111 24

STATE BOARD OF EQUALIZATION.

1891 125

KANSAS CITY SOUTHERN RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Kansas City Southern Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jackson			15.87	$14,327		$227,369 49		$40,600 00		$267,969 49
	Kaw		6.93	14,327	$99,286 11		$40,000 00		$139,286 11	
	Blue		3.86	14,327	55,302 22				55,302 22	
	Brookings		.95	14,327	13,610 65				13,610 65	
	Westport		.23	14,327	3,295 21				3,295 21	
	Washington		3.90	14,327	55,875 30		600 00		56,475 30	
		Kansas City	5.38	14,327	77,079 26		38,500 00		115,579 26	
Cass			26.34	14,327		377,373 18		2,500 00		379,873 18
	Mt. Pleasant		6.15	14,327	88,111 05		200 00		88,311 05	
	Union		6.25	14,327	89,543 75		800 00		90,343 75	
	West Dolan		7.74	14,327	110,890 98		400 00		111,290 98	
	Coldwater		6.20	14,327	88,827 40		1,100 00		89,927 40	
		Drexel	.65	14,327	9,312 55		550 00		9,862 55	
Bates			29.58	14,327		423,792 66		2,400 00		426,192 66
	West Boone		5.68	14,327	81,377 36		500 00		81,877 36	
	West Point		6.00	14,327	85,962 00		400 00		86,362 00	
	Homer		6.00	14,327	85,962 00		400 00		86,362 00	
	Walnut		7.79	14,327	111,607 33		450 00		112,057 33	
	Howard		4.11	14,327	58,883 97		650 00		59,533 97	
		Merwin	.28	14,327	4,011 56		450 00		4,461 56	
		Amsterdam	.27	14,327	3,868 29		400 00		4,268 29	
		Hume	.20	14,327	2,865 40		400 00		3,265 40	
Vernon			28.57	14,327		409,322 39		2,000 00		411,322 39
	Henry		8.38	14,327	120,060 26		700 00		120,760 26	
	Richland		6.20	14,327	88,827 40		400 00		89,227 40	
	Coal		5.93	14,327	84,959 11		400 00		85,359 11	
	Harrison		8.06	14,327	115,475 62		500 00		115,975 62	
		Stotesburg	.37	14,327	5,300 99		400 00		5,700 99	
		Richards	.75	14,327	10,745 25		400 00		11,145 25	
Barton			8.74	14,327		125,217 98		800 00		126,017 98
	Leroy		6.08	14,327	87,108 16		400 00		87,508 16	
	Ozark		2.66	14,327	38,109 82		400 00		38,509 82	
		Burgess	.50	14,327	7,163 50		400 00		7,563 50	
Jasper			19.47	14,327		278,946 69		7,100 00		286,046 69
	Jasper		2.78	14,327	39,829 06		400 00		40,229 06	
	Twin Grove		8.06	14,327	115,475 62		250 00		115,725 62	

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HANNIBAL & ST. JOSEPH BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Marion			24.21	$21,455		$519,425 55		$5,450 00		$524,875 55
	Fabius		7.42	21,455	$159,196 10		$1,400 00		$160,596 10	
	Liberty		9.51	21,455	204,037 05		3,290 00		207,327 05	
	South River		3.48	21,455	74,663 40				74,663 40	
	Warren		3.80	21,455	81,529 00		760 00		82,289 00	
		Palmyra	1.34	21,455	28,749 70		2,500 00		31,249 70	
Ralls			4.59	21,455		98,478 45				98,478 45
	Saline		4.59	21,455	98,478 45				98,478 45	
Monroe			5.08	21,455		108,991 40		1,000 00		109,991 40
	Monroe		5.08	21,455	108,991 40		1,000 00		109,991 40	
		Monroe City	1.04	21,455	22,313 20		1,000 00		23,313 20	
Shelby			24.74	21,455		530,796 70		7,500 00		538,296 70
	Jackson		8.29	21,455	177,861 95		2,300 00		180,161 95	
	Salt River		6.36	21,455	136,453 80		1,800 00		138,253 80	
	Clay		4.40	21,455	94,402 00		2,800 00		97,202 00	
	Lentner		3.00	21,455	64,365 00		600 00		64,965 00	
	Jefferson		2.69	21,455	57,713 95				57,713 95	
		Hunnewell	1.52	21,455	32,611 60		800 00		33,411 60	
		Lakeman	.515	21,455	11,049 32		1,400 00		12,449 32	
		Shelbina	1.56	21,455	33,469 80		1,800 00		35,269 80	
		Clarence	1.00	21,455	21,455 00		2,800 00		24,255 00	
Macon			31.14	21,455		668,108 70		13,000 00		681,108 70
	Round Grove		6.06	21,455	130,017 30		900 00		130,917 30	
	Hudson		6.10	21,455	130,875 50		8,500 00		139,357 50	
	Bevier		5.18	21,455	111,136 90		1,000 00		112,136 90	
	Callao		5.28	21,455	113,282 40		1,700 00		114,982 40	
	Lingo		8.52	21,455	182,796 60		900 00		183,696 60	
		Macon	1.13	21,455	24,244 15		8,500 00		32,744 15	
		Bevier	.51	21,455	10,942 05		1,000 00		11,942 05	
		Callao	.52	11,455	11,156 60		600 00		11,756 60	
		New Cambria	.63	21,455	13,516 65		600 00		14,116 65	
Linn			27.77	21,455		595,805 35		18,400 00		614,205 35
	Bucklin		6.43	21,455	137,955 65		1,000 00		138,955 65	
	Yellow Creek		4.16	21,455	89,252 80		900 00		90,152 80	
	Brookfield		4.95	21,455	106,202 25		12,900 00		119,102 25	
	Jefferson		5.12	21,455	109,849 60		3,000 00		112,849 60	
	Parsons Creek		7.11	21,455	152,545 05		600 00		153,145 05	
		Bucklin	.84	21,455	18,022 20		900 00		18,922 20	

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HANNIBAL & ST. JOSEPH BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD—Continued.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Linn		St. Catherine	.26	$21,455	$5,578 30		$900 00		$6,478 30	
		Brookfield	1.11	21,455	23,815 05		12,900 00		36,715 05	
		Laclede	.51	21,455	10,942 05		1,800 00		12,742 05	
		Meadville	.73	21,455	15,662 15		600 00		16,262 15	
Livingston			23.62	21,455		$506,767 10		$4,000 00		$510,767 10
	Wheeling		3.26	21,455	69,943 30		600 00		70,543 30	
	Chillicothe		10.30	21,455	220,986 50		2,000 00		222,986 50	
	Greene		4.28	21,455	91,827 40		700 00		92,527 40	
	Mooresville		5.78	21,455	124,009 90		700 00		124,709 90	
		Wheeling	.50	21,455	10,727 50		600 00		11,327 50	
		Chillicothe	1.33	21,455	28,535 15		2,000 00		30,535 15	
		Utica	1.05	21,455	22,527 75		700 00		23,227 75	
		Mooresville	.50	21,455	10,727 50		700 00		11,427 50	
Caldwell			25.81	21,455		553,753 55		5,200 00		558,953 55
	Breckenridge		6.47	21,455	138,813 85		1,200 00		140,013 85	
	Gomer		6.23	21,455	133,664 65		1,300 00		134,964 65	
	Hamilton		6.43	21,455	137,955 65		1,200 00		139,155 65	
	Kidder		6.68	21,455	143,319 40		1,500 00		144,819 40	
		Breckenridge	.70	21,455	15,018 50		1,200 00		16,218 50	
		Nettleton	.50	21,455	10,727 50		1,300 00		12,027 50	
		Hamilton	1.09	21,455	23,385 95		1,200 00		24,585 95	
		Kidder	.50	21,455	10,727 50		1,500 00		12,227 50	
Clinton			13 11	21,455		281,275 05		5,750 00		287,025 05
	Shoal		6.46	21,455	138,599 30		5,000 00		143,599 30	
	Platte		.82	21,455	17,593 10				17,593 10	
	Lafayette		5.83	21,455	125,082 65		750 00		125,832 65	
		Cameron	1.28	21,455	27,462 40		5,000 00		32,462 40	
DeKalb			9.24	21,455		198,244 20		1,950 00		200,194 20
	Colfax		4.27	21,455	91,612 85		750 00		92,362 85	
	Washington		3.99	21,455	85,605 45		1,200 00		86,805 45	
	Grand River		.98	21,455	21,025 90				21,025 90	
		Stewartsville	.95	21,455	20,382 25		1,200 00		21,582 25	
		Osborne	.50	21,455	10,727 50		750 00		11,477 50	
Buchanan			15.01	21,455		322,039 55		4,050 00		326,089 55
	Marion		5.74	21,455	123,151 70		3,200 00		126,351 70	
	Washington		9.27	21,455	198,887 85		850 00		199,737 85	
		Easton	1.32	21,455	28,320 60		1,200 00		29,520 60	
		Saxton	.50	21,455	10,727 50		850 00		11,577 50	
		St. Joseph	2.11	21,455	45,270 05				45,270 05	
Totals						$4,383,685 60		$66,300 00		$4,449,985 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	289.332	
ROLLING STOCK.		
97 locomotives at $4,000	$388,000 00	
13 chair cars at $3,500	45,500 00	
30 passenger cars at $2,500	75,000 00	
1 dining car at $5,000	5,000 00	
20 baggage cars at $1,500	30,000 00	
45 caboose cars at $400	18,000 00	
1,033 box cars at $250	258,250 00	
163 stock cars at $250	40,750 00	
1,057 flat and coal cars at $200	211,400 00	
1 water tank car at $250	250 00	
3 tool and derrick cars at $450	1,350 00	
20 dump cars at $250	5,000 00	
14 box way cars at $250	3,500 00	
3 steam shovels at $1,500	4,500 00	
237 hand and push cars at $10	2,370 00	
Total rolling stock used over 289.332 miles	$1,088,870 00	
85.012 miles rolling stock to branches, this State at $3,763.3929 per mile	319,933 55	
Proportion of rolling stock to this line	$768,936 45	
3.428 standard Pullman sleeping cars at $6,500	22,282 00	
1.397 buffet Pullman sleeping cars at $5,000	6,985 00	
.222 tourist Pullman sleeping cars at $2,000	440 00	
Total rolling stock to this line at $3,908.7874 per mile	$798,643 45	
204.32 miles road-bed and superstructure at $12,500 per mile	2,554,000 00	
Buildings on right of way	66,300 00	
"All other property" at $5,046.2126 per mile	1,031,042 15	
Total		$4,449,985 60

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HANNIBAL & ST. JOSEPH RAILROAD (CAMERON BRANCH C., B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Clinton			22.72	$21,325		$484,504 00		$2,000 00		$486,504 00
	Shoal		8.87	21,325	$189,152 75				$189,152 75	
	Lathrop		8.48	21,325	180,836 00		$2,000 00		182,836 00	
	Jackson		5.37	21,325	114,515 25				114,515 25	
		Turney	1.03	21,325	21,964 75		800 00		22,764 75	
		Lathrop	1.02	21,325	21,751 50		750 00		22,501 50	
Clay			30.476	21,325		649,900 70		9,100 00		659,000 70
	Kearney		9.64	21,325	205,573 00		2,500 00		208,073 00	
	Liberty		11.36	21,325	242,252 00		4,600 00		246,852 00	
	Gallatin		9.476	21,325	202,075 70		2,000 00		204,075 70	
		Kearney	1.03	21,325	21,964 75		1,800 00		23,764 75	
		Liberty	.92	21,325	19,619 00		4,200 00		23,819 00	
		Birmingham	.60	21,325	12,795 00		1,200 00		13,995 00	
		Holt	.25	21,325	5,331 25		750 00		6,081 25	
		N. Kansas City	1.78	21,325	37,958 50				37,958 50	
Jackson			1.086	21,325		23,158 95		10,000 00		33,158 95
	Kaw		1.086	21,325	23,158 95		10,000 00		33,158 95	
		Kansas City	1.086	21,325	23,158 95		10,000 00		33,158 95	
Totals						$1,157,563 65		$21,100 00		$1,178,663 65

ITEMIZED STATEMENT.

Length of road in State of Missouri	54.282	
54.282 miles rolling stock at $3,763.3929 per mile	$204,284 50	
54.282 miles road-bed and superstructure at $12,500 per mile	678,525 00	
Buildings on right of way	21,100 00	
"All other property" at $5,061.6071 per mile	274,754 15	
Total		$1,178,663 65

HANNIBAL & ST. JOSEPH RAILROAD (ATCHISON BRANCH C., B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Buchanan			15.89	$11,640		$184,959 60				$184,959 60
	Washington		3.72	11,640	$43,300 80				$43,300 80	
	Wayne		8.30	11,640	96,612 00				96,612 00	
	Lake		.51	11,640	5,936 40				5,936 40	
	Rush		3.36	11,640	39,110 40				39,110 40	
		St. Joseph	1.26	11,640	14,666 40				14,666 40	
Totals						$184,959 60				$184,959 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	15.89	
15.89 miles rolling stock at $3,763.3929 per mile	$59,800 30	
15.89 miles road-bed and superstructure at $6,000 per mile	95,340 00	
"All other property" at $1,876.6071 per mile	29,819 30	
Total		$184,959 60

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HANNIBAL & ST. JOSEPH RAILROAD (PALMYRA BRANCH C., B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Marion			12.54	$11,820		$148,222 80		$19,900 00		$168,122 80
	Mason		2.59	11,820	$30,613 80		$16,000 00		$46,613 80	
	Miller		5.54	11,820	65,482 80		400 00		65,882 80	
	South River		1.28	11,820	15,129 60				15,129 60	
	Liberty		3.13	11,820	36,996 60		3,500 00		40,496 60	
		Hannibal	1.81	11,820	21,394 20		16,000 00		37,394 20	
		Palmyra	1.05	11,820	12,411 00		3,500 00		15,911 00	
Ralls			2.30	11,820		27,186 00				27,186 00
	Clay		2.30	11,820	27,186 00				27,186 00	
Totals						$175,408 80		$19,900 00		$195,308 80

ITEMIZED STATEMENT.

Length of road in State of Missouri	14.84	
14.84 miles Rolling stock at $3,763.3929 per mile	$55,848 75	
14.84 miles road-bed and superstructure at $6,500 per mile	96,460 00	
Buildings on right of way	19,900 00	
"All other property" at $1,556.6071 per mile	23,100 05	
Total		$195,308 80

CHICAGO, BURLINGTON & KANSAS CITY BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Putnam			18.74	$6,960		$130,430 40		$2,100 00		$132,530 40
	Lincoln		8.30	6,960	$57,768 00		$1,000 00		$58,768 00	
	Union		3.21	6,960	22,341 60		900 00		23,241 60	
	Wilson		7.23	6,960	50,320 80		200 00		50,520 80	
		Unionville	1.62	6,960	11,275 20		900 00		12,175 20	
Sullivan			26.30	6,960		183,048 00		2,150 00		185,198 00
	Jackson		9.84	6,960	68,486 40		500 00		68,986 40	
	Polk		7.64	6,960	53,174 40		1,500 00		54,674 40	
	Duncan		8.82	6,960	61,387 20		150 00		61,537 20	
		Milan	1.40	6,960	9,744 00		1,600 00		11,344 00	
		Browning	.09	6,960	626 40				626 40	
Linn			24.99	6,960		173,930 40		2,000 00		175,930 40
	Benton		7.61	6,960	52,965 60		800 00		53,765 60	
	Locust Creek		7.91	6,960	55,053 60		550 00		55,603 60	
	Jefferson		9.47	6,960	65,911 20		650 00		66,561 20	
		Linneus	.99	6,960	6,890 40		550 00		7,440 40	
		Laclede	1.07	6,960	7,447 20		400 00		7,847 20	
		Browning	.50	6,960	3,480 00		550 00		4,030 00	
		Purdin	.50	6,960	3,480 00		150 00		3,630 00	
Chariton			6.22	6,960		43,291 20		400 00		43,691 20
	Cunningham		6.22	6,960	43,291 20		400 00		43,691 20	
		Sumner	.50	6,960	3,480 00		400 00		3,880 00	
Livingston			3.07	6,960		21,367 20				21,367 20
	Grand River		3.07	6,960	21,367 20				21,367 20	
Carroll			24.00	6,960		167,040 00		5,200 00		172,240 00
	Hurricane		7.11	6,960	49,485 60		700 00		50,185 60	
	Stokes Mound		2.12	6,960	14,755 20		700 00		15,455 20	
	Van Horn		8.03	6,960	55,888 80		700 00		56,588 80	
	Carrollton		6.74	6,960	46,910 40		3,100 00		50,010 40	
		Hale	.40	6,960	2,784 00		700 00		3,484 00	
		Tina	.31	6,960	2,157 60		700 00		2,857 60	
		Carrollton	1.13	6,960	7,864 80		3,100 00		10,964 80	
		Bogard	.43	6,960	2,992 80		700 00		3,692 80	
Totals						$719,107 20		$11,850 00		$730,957 20

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STATE BOARD OF EQUALIZATION.

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ITEMIZED STATEMENT.

Length of road in State of Missouri	103.32	
Length of road in other States	117.81	
Total	221.13	
ROLLING STOCK.		
13 locomotives at $4,000	$52,000 00	
2 passenger cars at $2,500	5,000 00	
4 baggage cars at $1,500	6,000 00	
7 caboose cars at $400	2,800 00	
54 box cars at $250	13,500 00	
161 flat and coal cars at $200	32,200 00	
2 tool and derrick cars at $450	900 00	
84 hand and push cars at $10	840 00	
Total rolling stock used over 221.13 miles	$113,240 00	
117.81 miles rolling stock to other States at $512.0960 per mile	60,330 14	
Proportion of rolling stock to this State, at $512.0960 per mile	$52,909 86	
103.32 miles road-bed and superstructure at $5,250 per mile	542,430 00	
Buildings on right of way	11,850 00	
"All other property" at $1,197.9031 per mile	123,767 34	
Total		$730,957 20

KANSAS CITY, ST. JOSEPH & COUNCIL BLUFFS BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jackson			.44	$17,195		$7,565 80		$20,000 00		$27,565 80
	Kaw		.44	17,195	$7,565 80		$20,000 00		$27,565 80	
		Kansas City	.44	17,195	7,565 80		20,000 00		27,565 80	
Clay			3.31	17,195		56,915 45		500 00		57,415 45
	Gallatin		3.31	17,195	56,915 45		500 00		57,415 45	
Platte			39.07	17,195		671,808 65		6,000 00		677,808 65
	Marshall		6.55	17,195	112,627 25		600 00		113,227 25	
	Weston		6.66	17,195	114,518 70		1,400 00		115,918 70	
	Lee		8.16	17,195	140,311 20		1,200 00		141,511 20	
	Fair		2.05	17,195	35,249 75		400 00		35,649 75	
	Pettis		8.52	17,195	146,501 40		1,400 00		147,901 40	
	Waldron		7.13	17,195	122,600 35		1,000 00		123,600 35	
		Weston	1.35	17,195	23,213 25		1,400 00		24,613 25	
		Parkville	.50	17,195	8,597 50		1,400 00		9,997 50	
Buchanan			24.41	17,195		419,729 95		41,100 00		460,829 95
	Rush		6.87	17,195	118,129 65		600 00		118,729 65	
	Lake		.49	17,195	8,425 55				8,425 55	
	Wayne		8.30	17,195	142,718 50		500 00		143,218 50	
	Washington		8.75	17,195	150,456 25		40,000 00		190,456 25	
		St. Joseph	2.90	17,195	49,865 50		40,000 00		89,865 50	
Andrew			9.55	17,195		164,212 25		2,300 00		166,512 25
	Lincoln		6.49	17,195	111,595 55		2,300 00		113,895 55	
	Jefferson		3.06	17,195	52,616 70				52,616 70	
		Amazonia	.70	17,195	12,036 50		1,800 00		13,836 50	
Holt			38.94	17,195		669,573 30		6,875 00		676,448 30
	Forbes		9.11	17,195	156,646 45		650 00		157,296 45	
	East Lewis		3.57	17,195	61,386 15				61,386 15	
	West Lewis		6.83	17,195	117,441 85		1,325 00		118,766 85	
	Bigelow		7.81	17,195	134,292 95		2,800 00		137,092 95	
	Union		8.24	17,195	141,686 80		700 00		142,386 80	
	Lincoln		3.38	17,195	58,119 10		1,400 00		59,519 10	
		Forest City	.71	17,195	12,208 45		1,325 00		13,533 45	
		Bigelow	.41	17,195	7,049 95		2,800 00		9,849 95	
		Craig	.34	17,195	5,846 30		700 00		6,546 30	
		Corning	.32	17,195	5,502 40		800 00		6,302 40	

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STATE BOARD OF EQUALIZATION.

KANSAS CITY, ST. JOSEPH & COUNCIL BLUFFS BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD—Continued.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Atchison			24.74	$17,195		$425,404 30		$3,350 00		$428,754 50
	Clark		4.42	17,195	$76,173 85		$600 00		$76,773 85	
	Benton		3.67	17,195	63,105 65				63,105 65	
	Templeton		6.43	17,195	110,583 85		2,000 00		112,583 85	
	Nishnabotna		6.16	17,195	105,921 20		750 00		106,671 20	
	Buchanan		4.05	17,195	69,639 75				69,639 75	
		Phelps	.84	17,195	14,443 80		1,000 00		15,443 80	
		Watson	.68	17,195	11,692 60		750 00		12,442 60	
Totals						$2,415 209 70		$80,125 00		$2,495,334 70

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ITEMIZED STATEMENT.

Length of road in State of Missouri	210.152	
Length of road in other States	56.630	
Total	266.782	
ROLLING STOCK.		
74 locomotives at $4,000	$296,000 00	
5 chair cars at $3,500	17,500 00	
21 passenger cars at $2,500	52,500 00	
1 officers' car at $5,000	5,000 00	
4 postal cars at $2,000	8,000 00	
7 express cars at $2,000	14,000 00	
10 boarding cars at $250	2,500 00	
5 baggage cars at $1,500	7,500 00	
18 caboose cars at $400	7,200 00	
702 box cars at $250	175,500 00	
76 stock cars at $250	19,000 00	
123 flat and coal cars at $200	24,600 00	
159 furniture cars at $250	39,750 00	
1 pile driver at $1,000	1,000 00	
14 tool and derrick cars at $450	6,300 00	
220 hand and push cars at $10	2,200 00	
Total rolling stock used over 266.782 miles	$678,550 00	
56.63 miles rolling stock to other States at $2,543.4324 per mile	144,036 28	
Proportion of rolling stock to this State	$534,513 72	
69.692 miles rolling stock to branches, this State, at $2,543.4624 per mile	177,258 99	
Proportion of rolling stock to main line, this State	$357,254 73	
1.604 standard Pullman sleeping cars at $6,500	10,426 00	
.054 buffet Pullman cars at $5,000	270 00	
.312 tourist Pullman sleeping cars at $2,000	624 00	
Total rolling stock to main line, this State, at $2,624.0547 per mile	$368,574 73	
140.46 miles road-bed and superstructure at $11,000 per mile	1,545,060 00	
Buildings on right of way	80,125 00	
"All other property" at $3,570.9453 per mile	501,574 97	
Total		$2,495,334 70

KANSAS CITY, ST. JOSEPH & COUNCIL BLUFFS RAILROAD (ATCHISON BRANCH C., B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Buchanan			2.96	$8,920		$26,403 20		$1,000 00		$27,403 20
	Rush		2.96	8,920	$26,403 20		$1,000 00		$27,403 20	
Totals						$26,403 02		$1,000 00		$27,403 20

ITEMIZED STATEMENT.

Length of road in State of Missouri	2.96	
2.96 miles rolling stock at $2,543.4624 per mile	$7,528 64	
2.96 miles road-bed and superstructure at $5,500 per mile	16,280 00	
Buildings on right of way	1,000 00	
"All other property" at $876.5376 per mile	2,594 56	
Total		$27,403 20

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KANSAS CITY, ST. JOSEPH & COUNCIL BLUFFS RAILROAD (Nodaway Valley Branch C., B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Holt			18.67	$8,890		$165,976 30		$2,200 00	$16,090 90	$168,176 30
	Bigelow		1.81	8,890	$16,090 90				60,896 40	
	Benton		6.76	8,890	60,096 40		$800 00		91,189 00	
	Clay		10.10	8,890	89,789 00		1,400 00		4,889 40	
		Mound City	.46	8,890	4,089 40		800 00		5,845 00	
		Maitland	.50	8,890	4,445 00		1,400 00			
Nodaway			12.87	8,890		114,414 30		1,200 00		115,614 30
	Monroe		4.01	8,890	35,648 90		600 00		36,248 90	
	Greene		5.11	8,890	45,427 90		600 00		46,027 90	
	Nodaway		3.75	8,890	33,337 50				33,337 50	
		Quitman	.04	8,890	355 60		600 00		955 60	
		Skidmore	.25	8,890	2,222 50		600 00		2,822 50	
Totals						$280,390 60		$3,400 00		$283,790 60

ITEMIZED STATEMENT.

Length of road in State of Missouri	31.54	
31.54 miles rolling stock at $2,543.4624 per mile	$80,220 80	
31.54 miles road-bed and superstructure at $5,500 per mile	173,470 00	
Buildings on right of way	3,400 00	
"All other property" at $846.5376 per mile	26,699 80	
Total		$283,790 60

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STATE BOARD OF EQUALIZATION.

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KANSAS CITY, ST. JOSEPH & COUNCIL BLUFFS RAILROAD (TARKIO VALLEY BRANCH C., B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Atchison			23.58	$9,370		$220,944 60		$3,100 00		$224,044 60
	Clark		9.74	9,370	$91,263 80		$800 00		$91,863 80	
	Tarkio		6.17	9,370	57,812 90		2,000 00		59,812 90	
	Lincoln		7.67	9,370	71,867 90		500 00		72,367 90	
		Westboro	.40	9,370	3,748 00		500 00		4,248 00	
		Tarkio	.77	9,370	7,214 90		2,000 00		9,214 90	
		Fairfax	.44	9,370	4,122 80		600 00		4,722 80	
Holt			1.85	9,370		17,334 50		650 00		17,984 50
	Lincoln		1.85	9,370	17,334 50		650 00		17,984 50	
Totals						$238,279 10		$3,750 00		$242,029 10

ITEMIZED STATEMENT.

Length of road in State of Missouri	25.43	
25.43 miles rolling stock at $2,543.4624 per mile	$64,680 25	
25.43 miles road-bed and superstructure at $5,500 per mile	139,865 00	
Buildings on right of way	3,750 00	
"All other property" at $1,326.5376 per mile	33,733 85	
Total		$242,029 10

KANSAS CITY, ST. JOSEPH & COUNCIL BLUFFS RAILROAD (BROWNVILLE & NODAWAY VALLEY BRANCH C. B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Nodaway			9.762	$9,305		$90,835 41		$1,100 00		$91,935 41
	Lincoln		.897	9,305	$8,346 58				$8,346 58	
	Atchison		6.195	9,305	57,644 48		$500 00		58,144 48	
	Nodaway		2.670	9,305	24,844.35		600 00		25,444 35	
		Burlington Jct.	.710	9,305	6,606 55		600 00		7,206 55	
		Clearmont	.195	9,305	1,814 47		500 00		2,314 47	
Totals						$90,835 41		$1,100 00		$91,935 41

ITEMIZED STATEMENT.

Length of road in State of Missouri	9.762	
9.762 miles rolling stock at $2,543.4624 per mile	$24,829 30	
9.762 miles road-bed and superstructure at $5,500 per mile	53,691 00	
Buildings on right of way	1,100 00	
"All other property" at $1,261.5376 per mile	12,315 11	
Total		$91,935 41

STATE BOARD OF EQUALIZATION.

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ST. LOUIS, KEOKUK & NORTHWESTERN BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Clark			10.36	$19,125		$198,135 00		$800 00		$198,935 00
	Vernon		8.13	19,125	$155,486 25		$400 00		$155,886 25	
	Clay		2.23	19,125	42,648 75		400 00		43,048 75	
Lewis			21.56	19,125		412,235 00		1,900 00		414,235 00
	Canton		10.56	19,125	201,960 00		800 00		202,760 00	
	Union		11.00	19,125	210,375 00		1,100 00		211,475 00	
		Canton	1.53	19,125	29,261 25		800 00		30,061 25	
		LaGrange	1.78	19,125	34,042 50		1,100 00		35,142 50	
Marion			17.47	19,125		334,113 75		1,300 00		335,413 75
	Fabius		3.99	19,125	76,308 75		700 00		77,008 75	
	Liberty		5.94	19,125	113,602 50		600 00		114,202 50	
	Miller		1.93	19,125	36,911 25				36,911 25	
	Mason		5.61	19,125	107,291 25				107,291 25	
		Hannibal	1.23	19,125	23,523 75				23,523 75	
Ralls			8.66	19,125		165,622 50		400 00		166,022 50
	Saverton		8.66	19,125	165,622 50		400 00		166,022 50	
Pike			35.349	19,125		676,049 62		4,500 00		680,549 62
	Salt River		7.924	19,125	151,546 50		300 00		151,846 50	
	Buffalo		11.480	19,125	219,555 00		3,000 00		222,555 00	
	Calumet		15.945	19,125	304,948 12		1,200 00		306,148 12	
		Louisiana	1.25	19,125	23,906 25		3,000 00		26,906 25	
		Clarksville	1.08	19,125	20,655 00		900 00		21,555 00	
Lincoln			20.882	19,125		399,368 25		5,100 00		404,468 25
	Hurricane		7.486	19,125	143,169 75		1,800 00		144,969 75	
	Burr Oak		7.101	19,125	135,806 62		500 00		136,306 62	
	Monroe		6.295	19,125	120,391 88		2,800 00		123,191 88	
		Elsberry	.57	19,125	10,901 25		1,800 00		12,701 25	
		Winfield	.50	19,125	9,562 50		500 00		10,062 50	
		Foley	.25	19,125	4,781 25		500 00		5,281 25	
		Old Monroe	.272	19,125	5,202 00		2,000 00		7,202 00	
St. Charles			32.77	19,125		626,726 25		5,400 00		632,126 25
	Cuivre		5.97	19,125	114,176 25		300 00		114,476 25	
	Dardenne		7.07	19,125	135,213 75		600 00		135,813 75	
	St. Charles		2.31	19,125	44,178 75				44,178 75	
	Port. des Sioux		17.42	19,125	333,157 50		4,500 00		337,657 50	
St. Louis			8.55	19,125		163,518 75		6,000 00		169,518 75
	St. Ferdinand		8.55	19,125	163,518 75		6,000 00		169,518 75	

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St. Louis City			7.60	19,125		145,350 00					
	New Limits		4.46	19,125	85,297 50		5,000 00	130,000 00	90,297 50	275,350 00	
	Old Limits		3.14	19,125	60,052 50		125,000 00		185,052 50		
Totals						$3,121,219 12		$155,400 00		$3,276,619 12	

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ITEMIZED STATEMENT.

Length of road in State of Missouri		163.661
Length of road in other States		94.70
Total		258.361
ROLLING STOCK.		
38 locomotives at $4,000		$152,000 00
4 chair cars at $3,500		14,000 00
22 passenger cars at $2,500		55,000 00
1 dining car at $5,000		5,000 00
20 baggage cars at $1,500		30,000 00
17 caboose cars at $400		6,800 00
252 box cars at $250		63,000 00
95 stock cars at $250		23,750 00
182 flat and coal cars at $200		36,400 00
30 refrigerator cars at $350		10,500 00
1 pile driver at $1,000		1,000 00
13 tool and derrick cars at $450		5,850 00
1 unloader at $500		500 00
1 steam shovel at $1,500		1,500 00
179 hand and push cars at $10		1,790 00
Total rolling stock used over 258.361 miles		$407,090 00
94.70 miles rolling stock to other States at $1,575.6635 per mile		149,215 34
Proportion of rolling stock to this State		$257,874 66
.46 miles rolling stock to Alton branch, at $1,575.6635 per mile		724 80
Proportion of rolling stock to main line, this State		$257,149 86
3.889 Standard Pullman sleeping cars at $6,500		25,278 50
.954 buffet Pullman sleeping cars at $5,000		4,770 00
.821 parlor Pullman sleeping cars at $5,000		4,105 00
.198 tourist Pullman sleeping cars at $2,000		396 00
Total rolling stock to main line this State, at $1,787.3626 per mile		$291,699 36
163.201 miles road-bed and superstructure at $12,500 per mile		2,040,012 50
Buildings on right of way		155,400 00
"All other property" at $4,837.6374 per mile		789,507 20
Total		$3,276,619 12

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STATE BOARD OF EQUALIZATION.

520-81

ST. LOUIS, KEOKUK & NORTHWESTERN RAILROAD (ALTON BRANCH C.; B. & Q. R. R.)

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
St. Charles			.46	$8,380		$3,854 80				$3,854 80
	Fort. des Sioux		.46	8,380	$3,854 80				$3,854 80	
Totals						$3,854 80				$3,854 80

ITEMIZED STATEMENT.

Length of road in State of Missouri	.46	
.46 miles rolling stock at $1,575.6635 per mile	$724 80	
.46 miles road-bed and superstructure at $5,500 per mile	2,530 00	
"All other property" at $1,304.3365 per mile	600 00	
Total		$3,854 80

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PAGE BOUND V

KEOKUK & WESTERN BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Clark			27.45	$9,380		$257,481 00		$3,850 00		$261,331 00
	Vernon		1.88	9,380	$17,634 40		$500 00		$18,134 40	
	Clay		2.80	9,380	26,264 00				26,264 00	
	Des Moines		3.68	9,380	34,518 40		300 00		34,818 40	
	Madison		5.59	9,380	52,434 20				52,434 20	
	Lincoln		7.27	9,380	68,192 60		2,800 00		70,992 60	
	Wyaconda		6.23	9,380	58,437 40		250 00		58,687 40	
		Alexandria	.63	9,380	5,909 40		500 00		6,409 40	
		Kahoka	.69	9,380	6,472 20		1,800 00		8,272 20	
		Luray	.76	9,380	7,128 80		250 00		7,378 80	
Scotland			22.60	9,380		211,988 00		2,800 00		214,788 00
	Harrison		6.17	9,380	57,874 60		800 00		58,674 60	
	Jefferson		16.43	9,380	154,113 40		2,000 00		156,113 40	
		Memphis	1.14	9,380	10,693 20		1,500 00		12,193 20	
		Arbela	.50	9,380	4,690 00		600 00		5,290 00	
Schuyler			19.57	9,380		183,566 60		2,400 00		185,966 60
	Fabius		6.61	9,380	62,001 80		600 00		62,601 80	
	Liberty		5.49	9,380	51,496 20		700 00		52,196 20	
	Glenwood		3.63	9,380	34,049 40		1,000 00		35,049 40	
	Charlton		3.84	9,380	36,019 20		100 00		36,119 20	
		Lancaster	1.25	9,380	11,725 00		700 00		12,425 00	
		Glenwood Jct.	.75	9,380	7,035 00		900 00		7,935 00	
		Downing	.75	9,380	7,035 00		600 00		7,635 00	
Totals						$653,035 60		$9,050 00		$662,085 60

ITEMIZED STATEMENT.

Length of road in State of Missouri, including Des Moines & Kansas City Branch	$81.30	
Length of road in other States	168.70	
Total	250 00	
ROLLING STOCK.		
25 locomotives at $4,000	$100,000 00	
12 passenger cars at $2,500	30,000 00	
1 pay and business car at $3,500	3,500 00	
6 mail and express cars at $1,500	9,080 00	
2 baggage and passenger cars at $1,500	3,000 00	
13 cabooses cars at $400	5,200 00	
599 box cars at $250	149,750 00	
138 stock cars at $250	34,500 00	
215 flat and coal cars at $200	43,000 00	
2 wrecking cars at $450	900 00	
1 pile driver at $1,000	1,000 00	
2 ditching cars at $650	1,300 00	
19 cinder cars at $200	3,800 00	
1 steam shovel plow at $1,500	1,500 00	
147 hand and push cars at $10	1,470 00	
Total rolling stock used over 250.20 miles	$ 387,920 00	
168.70 miles rolling stock to other States at $1,550.4396 per mile	261,559 17	
Proportion of rolling stock to this State	$126,360 83	
11.88 miles rolling stock to Des Moines & Kansas City Branch, this State, at $1,550.4396 per mile	18,419 23	
Proportion of rolling stock to this line in this State	$107,941 60	
69.62 miles road-bed and superstructure at $6,500	452,530 00	
Buildings on right of way	9,050 00	
"All other property" at $1,329.5604 per mile	92,564 00	
Total		$662,085 60

ERTICAL IN BOOK

DES MOINES & KANSAS CITY BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Mercer			8.87	$4,615		$40,935 05		$300 00		$41,235 05
	Lindley		8.87	4,615	$40,935 05		$300 00		$41,235 05	
Harrison			3.01	4,615		13,891 15		1,700 00		15,591 15
	Madison		3.01	4,615	13,891 15		1,700 00		15,591 15	
		Cainsville	.996	4,615	4,596 54		1,700 00		6,296 54	
Totals						$54,826 20		$2,000 00		$56,826 20

ITEMIZED STATEMENT.

Length of road in State of Missouri	11.88	
11.88 miles rolling stock at $1,550.4396 per mile	$18,419 23	
11.88 miles road-bed and superstructure at $3,064.5604 per mile	36,406 97	
Buildings on right of way	2,000 00	
Total		$56,826 20

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STATE BOARD OF EQUALIZATION.

521 Pd

HOPKINS BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Nodaway			33.69	$10,390		$350,039 10		$4,325 00		$354,364 10
	Grant		7.81	10,390	$81,145 90		$525 00		$81,670 90	
	White Cloud		4.24	10,390	44,053 60		400 00		44,453 60	
	Polk		11.37	10,390	118,134 30		1,800 00		119,934 30	
	Union		4.96	10,390	51,534 40		400 00		51,934 40	
	Hopkins		5.31	10,390	55,170 90		1,200 00		56,370 90	
		Barnard	.55	10,390	5,714 50		525 00		6,239 50	
		Maryville	.78	10,390	8,104 20		1,800 00		9,904 20	
		Hopkins	.47	10,390	4,883 30		1,200 00		6,083 30	
		Pickering	.25	10,390	2,597 50		400 00		2,997 50	
Andrew			18.44	10,390		191,591 60		3,000 00		194,591 60
	Lincoln		2.49	10,390	25,871 10				25,871 10	
	Nodaway		4.41	10,390	45,819 90		1,100 00		46,919 90	
	Washington		5.54	10,390	57,560 60				57,560 60	
	Benton		6.00	10,390	62,340 00		1,900 00		64,240 00	
		Amazonia	.24	10,390	2,493 60				2,493 60	
		Rosendale	.39	10,390	4,052 10		1,100 00		5,152 10	
		Bolckow	.34	10,390	3,532 60		600 00		4,132 60	
Totals						$541,630 70		$7,325 00		$548,955 70

ITEMIZED STATEMENT.

Length of road in State of Missouri	52.13	
ROLLING STOCK.		
4 locomotives at $4,000	$16,000 00	
6 passenger cars at $2,250	15,000 00	
2 combination cars at $1,500	3,000 00	
4 caboose cars at $400	1,600 00	
40 box cars at $250	10,000 00	
30 stock cars at $250	7,500 00	
20 flat and coal cars at $200	4,000 00	
10 rubble cars at $250	2,500 00	
10 hand cars at $10	100 00	
Total rolling stock ($1,145.2139 per mile)	$59,700 00	
52.13 miles road-bed and superstructure at $7,000 per mile	364,910 00	
Buildings on right of way	7,325 00	
"All other property" at $2,244.7861 per mile	117,020 70	
Total		$548,955 70

STATE BOARD OF EQUALIZATION. 5213 87

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ST. JOSEPH & DES MOINES BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Buchanan			10.663	$8,305		$88,556 21		$1,500 00		$90,056 21
	Marion		2.712	8,305	$22,523 16		$50 00		$22,573 16	
	Washington		7.951	8,305	66,033 05		1,450 00		67,483 05	
		St. Joseph	2.030	8,305	16,776 10		1,450 00		18,226 10	
Andrew			12.061	8,305		100,166 60		1,000 00		101,166 60
	Empire		.075	8,305	622 88				622 88	
	Rochester		7.433	8,305	61,731 06		600 00		62,331 06	
	Monroe		4.583	8,305	37,812 66		400 00		38,212 66	
		Cosby	.170	8,305	1,411 85		400 00		1,811 85	
De Kalb			7.194	8,305		59,746 18		800 00		60,546 18
	Polk		7.194	8,305	59,746 18		800 00		60,546 18	
		Union Star	.250	8,305	2,076 25		800 00		2,876 25	
Gentry			18.132	8,305		150,586 26		1,700 00		152,286 26
	Athens		2.715	8,305	22,548 08				22,548 08	
	Cooper		3.927	8,305	32,613 74		350 00		32,963 74	
	Miller		2.189	8,305	18,179 64		350 00		18,529 64	
	Jackson		9.301	8,305	77,244 80		1,000 00		78,244 80	
		King City	.652	8,305	5,414 86		1,000 00		6,414 86	
		Darlington	.783	8,305	6,502 81		350 00		6,852 81	
Totals						$399,055 25		$5,000 00		$404,055 25

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ERTICAL IN BOOK

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ITEMIZED STATEMENT.

Length of road in State of Missouri	48.030	
ROLLING STOCK.		
3 locomotives at $4,000	$12,000 00	
4 passenger cars at $2,500	10,000 00	
1 combination car at $1,500	1,500 00	
2 caboose cars at $400	800 00	
30 stock cars at $250	7,500 00	
10 flat and coal cars at $200	2,000 00	
8 rubble cars at $250	1,250 00	
8 hand cars at $10	80 00	
Total rolling stock $731.1134 per mile)	$35,130 00	
48.05 miles road-bed and superstructure at $6,250 per mile	300,312 50	
Buildings on right of way	5,000 00	
"All other property" at $1,323.8866 per mile	63,612 75	
Total		$404,055 25

STATE BOARD OF EQUALIZATION. 5915 89

GRANT CITY & SOUTHERN BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Worth			7.543	$6,910		$52,122 13		$1,100 00		$53,222 13
	Fletchall		1.085	6,910	$7,497 35				$7,497 35	
	Middlefork		6.458	6,910	44,624 78		$1,100 00		45,724 78	
		Grant City	.810	6,910	5,597 10		1,100 00		6,697 10	
Gentry			12.279	6,910		84,847 89		1,100 00		85,947 89
	Bogle		6.355	6,910	43,913 05		1,000 00		44,913 05	
	Huggins		3.631	6,910	25,090 21				25,090 21	
	Athens		2.293	6,910	15,844 63		100 00		15,944 63	
Totals						$136,970 02		$2,200 00		$139,170 02

ITEMIZED STATEMENT.

Length of road in State of Missouri	19.822	
ROLLING STOCK.		
2 locomotives at $4,000	$8,000 00	
2 passenger cars at $2,500	5,000 00	
1 combination car at $1,500	1,500 00	
1 caboose car at $400	400 00	
20 stock cars at $250	5,000 00	
5 flat and coal cars at $200	1,000 00	
2 rubble cars at $250	500 00	
2 push cars at $10	20 00	
Total rolling stock ($1,080.6174 per mile)	$21,420 00	
19.822 miles road-bed and superstructure at $5,000 per mile	99,110 00	
Buildings on right of way	2,200 00	
"All other property" at $829.3826 per mile	16,440 02	
Total		$139,170 02

TICAL IN BOOK

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LEON, MT. AYR & SOUTHWESTERN BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Harrison			35.293	$8,080		$285,167 44		$3,750 00		$288,917 44
	Colfax		8.335	8,080	$67,346 80		$1,450 00		$68,796 80	
	Marion		6.515	8,080	52,641 20				52,641 20	
	Grant		6.738	8,080	54,443 04		900 00		55,343 04	
	Jefferson		.144	8,080	1,163 52				1,163 52	
	Bethany		7.366	8,080	59,517 28		1,000 00		60,517 28	
	White Oak		6.195	8,080	50,055 60		400 00		50,455 60	
		Blythesdale	.419	8,080	3 385 52		800 00		4,185 52	
		Ridgeway	.517	8,080	4,177 36		500 00		4 ,677 36	
		Bethany	2.128	8,080	17,194 24		1,000 00		18,194 24	
		New Hampton	.272	8,080	2,197 76		400 00		2,597 76	
Gentry			7.609	8,080		61,480 72		1,500 00		62,980 72
	Athens		7.609	8,080	61,480 72		1,500 00		62,980 72	
		Albany	1.048	8,080	8,467 84		1,500 00		9,967 84	
Worth			6.650	8,080		53,732 00		1,500 00		55,232 00
	Fletchall		6.650	8,080	53,732 00		1,500 00		55,232 00	
		Grant City	.451	8,080	3,644 08		1,500 00		5,144 08	
Totals						$400,380 16		$6,750 00		$407,130 16

STATE BOARD OF EQUALIZATION.

5217 91

ITEMIZED STATEMENT.

Length of road in State of Missouri	49.552	
Length of road in other States	54.281	
Total	103.833	
ROLLING STOCK.		
2 locomotives at $4,000	$8,000 00	
2 chair cars at $3,500	7,000 00	
1 passenger car at $2,500	2,500 00	
2 combination cars at $1,500	3,000 00	
1 caboose car at $400	400 00	
40 stock cars at $250	10,000 00	
10 flat and coal cars at $200	2,000 00	
12 rubble cars at $250	3,000 00	
18 hand cars at $10	180 00	
Total rolling stock used over 103.833 miles	$36,080 00	
54.281 miles rolling stock to other States at $347.4810 per mile	18,861 62	
Proportion of rolling stock to this State	$17,218 38	
49.552 miles road-bed and superstructure at $6,250 per mile	309,700 00	
Buildings on right of way	6,750 00	
"All other property" at $1,482.5190 per mile	73,461 78	
Total		$407,130 16

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IOWA AND ST. LOUIS RAILWAY (Chicago, Burlington & Quincy Railroad Company, Lessee).

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Iowa & St. Louis Railway Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Putnam			14.14	$4,430		$62,640 20		$2,000 00		$64,640 20
	Grant		6.15	4,430	$27,244 50		$1,100 00		$28,344 50	
	Elm		7.99	4,430	35,395 70		900 00		36,295 70	
Schuyler			4.32	4,430		19,137 60				19,137 60
	Charlton		2.02	4,430	8,948 60				8,948 60	
	Prairie		.40	4,430	1,772 00				1,772 00	
	Salt River		1.67	4,430	7,398 10				7,398 10	
	Glenwood		.23	4,430	1,018 90				1,018 90	
Adair			22.39	4,430		99,187 70		2,100 00		101,287 70
	Nineveh		9.45	4,430	41,863 50		1,500 00		43,363 50	
	Benton		2.28	4,430	10,100 40				10,100 40	
	Liberty		4.30	4,430	19,049 00				19,049 00	
	Walnut		.66	4,430	2,923 80				2,923 80	
	Pettis		5.70	4,430	25,251 00		600 00		25,851 00	
Macon			5.74	4,430		25,428 20		1,300 00		26,728 20
	Easley		5.74	4,430	25,428 20		1,300 00		26,728 20	
Totals						$206,393 70		$5,400 00		$211,793 70

9941

STATE BOARD OF EQUALIZATION.

5219 03

9942

9220

ITEMIZED STATEMENT.

Length of road in State of Missouri	46.59	
Length of road in other States	5.44	
Total	52.03	
ROLLING STOCK.		
5 locomotives at $4,000	$20,000 00	
1 passenger car at $2,500	2,500 00	
1 combination car at $1,500	1,500 00	
5 caboose cars at $400	2,000 00	
232 flat and coal cars at $200	46,400 00	
22 hand and push cars at $10	220 00	
Total rolling stock used over 52.03 miles	$72,620 00	
5.44 miles rolling stock to other States at $1,395.7332 per mile	7,592 79	
Proportion of rolling stock to this State	$65,027 21	
46.59 miles road-bed and superstructure at $2,530 per mile	117,872 70	
Buildings on right of way	5,400 00	
"All other property" at $504.2668 per mile	23,493 79	
Total		$211,793 70

ATCHISON & NEBRASKA RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Atchison & Nebraska Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Holt			3.09	$42,880		$132,499 20				$132,499 20
	Minton		3.09	42,880	$132,499 20				$132,499 20	
Totals						$132,499 20				$132,499 20

ITEMIZED STATEMENT.

Length of road in State of Missouri	3.09	
ROLLING STOCK.		
1 locomotive at $4,000	$4,000 00	
1 chair car at $3,500	3,500 00	
9 box and furniture cars at $250	2,250 00	
3 stock cars at $250	750 00	
5 flat and coal cars at $200	1,000 00	
1 refrigerator car at $350	350 00	
.030 standard Pullman sleeping cars at $6,500	195 00	
.010 tourist Pullman sleeping cars at $2,000	20 00	
Total rolling stock ($3,904.5307 per mile)	$12,065 00	
3.09 miles road-bed and superstructure at $33,975 per mile	104,982 75	
"All other property" at $5,000.4693 per mile	15,451 45	
Total		$132,499 20

9943

STATE BOARD OF EQUALIZATION.

5221 95

ST. JOSEPH & NEBRASKA RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the St. Joseph & Nebraska Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Holt			5.86	$13,450		$78,817 00		$1,500 00		$80,317 00
	Minton		5.86	13,450	$78,817 00		$1,500 00		$80,317 00	
Totals						$78,817 00		$1,500 00		$80,317 00

ITEMIZED STATEMENT

Length of road in State of Missouri	5.86	
ROLLING STOCK.		
1 locomotive at $4,000	$4,000 00	
1 postal car at $2,000	2,000 00	
18 box and furniture cars at $250	4,500 00	
5 stock cars at $250	1,250 00	
9 flat and coal cars at $200	1,800 00	
1 refrigerator car at $350	350 00	
.061 standard Pullman sleeping cars at $6,500	396 50	
.019 tourist Pullman sleeping cars at $2,000	38 00	
Total rolling stock ($2,446.1604 per mile)	$14,334 50	
5.86 miles road-bed and superstructure at $8,500 per mile	49,810 00	
Buildings on right of way	1,500 00	
"All other property" at $2,503.8396 per mile	14,672 50	
Total		$80,317 00

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OLD MONROE—MEXICO BRANCH—CHICAGO, BURLINGTON & QUINCY RAILROAD.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Burlington & Quincy Railroad Company on the first day of June, 1907, as assessed, adjusted and equalized by the State Board of Equalization in 1908.

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County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Lincoln			24.55	$16,350		$401,392 50		$4,000 00		$405,392 50
	Monroe		8.98	16,350	$146,823 00		$700 00		$147,523 00	
	Clark		6.61	16,350	108,073 50		900 00		108,973 50	
	Bedford		5.74	16,350	93,849 00		900 00		94,749 00	
	Prairie		3.22	16,350	52,647 00		1,500 00		54,147 00	
		Old Monroe	.278	16,350	4,545 30				4,545 30	
Warren			4.09	16,350		66,871 50		700 00		67,571 50
	Camp Branch		4.09	16,350	66,871 50		700 00		67,571 50	
Montgomery			21.84	16,350		357,084 00		3,400 00		360,484 00
	Bear Creek		8.67	16,350	141,754 50		1,000 00		142,754 50	
	Montgomery		2.26	16,350	36,951 00		800 00		37,751 00	
	Prairie		2.24	16,350	36,624 00				36,624 00	
	Upper Loutre		8.67	16,350	141,754 50		1,600 00		143,354 50	
		Bellflower	1.52	16,350	24,852 00		1,000 00		25,852 00	
Audrain			12.80	16,350		209,280 00		2,900 00		212,180 00
	Loutre		7.41	16,350	121,153 50		700 00		121,853 50	
	Linn		2.50	16,350	40,875 00		700 00		41,575 00	
	Salt River		2.89	16,350	47,251 50		1,500 00		48,751 50	
Totals						$1,034,628 00		$11,000 00		$1,045,628 00

STATE BOARD OF EQUALIZATION 5928

ITEMIZED STATEMENT.

Length of road in State of Missouri	63.28	
ROLLING STOCK.		
3 locomotives at $4,000	$12,000 00	
3 chair cars at $3,500	10,500 00	
3 passenger cars at $2,500	7,500 00	
1 dining car at $5,000	5,000 00	
1 baggage car at $1,500	1,500 00	
1 caboose car at $400	400 00	
20 box cars at $250	5,000 00	
10 stock cars at $250	2,500 00	
10 flat and coal cars at $200	2,000 00	
1 refrigerator car at $350	350 00	
2 tool and derrick cars at $450	900 00	
15 hand and push cars at $10	150 00	
Total rolling stock ($755.3729 per mile)	$47,800 00	
63.28 miles road-bed and superstructure at $12,500 per mile	791,000 00	
Buildings on right of way	11,000 00	
"All other property" at $3,094.6271 per mile	195,828 00	
Total		$1,045,628 00

SUMMARY OF THE CHICAGO, BURLINGTON & QUINCY SYSTEM.

204.32	miles	Hannibal & St. Joseph		$4,449,285 60
54.282	miles	Same	Cameron Branch	1,178,663 85
15.89	miles	Same	Atchison Branch	184,959 80
14.84	miles	Same	Palmyra Branch	195,308 80
103.32	miles	Chicago, Burlington & Kansas City Branch		730,957 20
140.46	miles	Kansas City, St. Joseph & Council Bluffs Branch		2,495,334 70
2.96	miles	Same	Atchison Branch	27,403 20
31.54	miles	Same	Nodaway Valley Branch	283,790 60
25.43	miles	Same	Tarkio Valley Branch	242,029 10
9.762	miles	Same	Brownville & Nodaway Valley Branch	91,935 41
163.201	miles	St. Louis, Keokuk & Northwestern Branch		3,276,619 12
.46	miles	Same	Alton Branch	3,854 80
69.62	miles	Keokuk & Western Branch		662,085 60
11.88	miles	Des Moines & Kansas City Branch		56,826 20
52.13	miles	Hopkins Branch		548,955 70
48.05	miles	St. Joseph & Des Moines Branch		404,055 25
19.822	miles	Grant City & Southern Branch		139,170 02
49.552	miles	Leon, Mt. Ayr & Southwestern Branch		407,130 16
46.59	miles	Iowa & St. Louis (C. B. & Q. R. R. Co., Lessee)		211,793 70
3.09	miles	Atchison & Nebraska		132,499 20
5.88	miles	St. Joseph & Nebraska		80,317 00
63.28	miles	Old Monroe—Mexico Branch		1,045,628 00
1,136.339	miles	Total		$16,849,302 81

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ITEMIZED STATEMENT.

Length of road in State of Missouri	8.15	
Length of road in other States	118.01	
Total	126.16	
ROLLING STOCK.		
7 locomotives at $4,000	$28,000 00	
4 passenger cars at $2,250	9,000 00	
5 combination cars at $1,500	7,500 00	
2 caboose cars at $400	800 00	
10 box cars at $250	2,500 00	
14 flat cars at $200	2,800 00	
1 tool car at $250	250 00	
55 hand and push cars at $10	550 00	
Total rolling stock used over 126.16 miles	$51,400 00	
118.01 miles rolling stock to other States at $407.4191 per mile	48,079 53	
Proportion of rolling stock to this State	$3,320 47	
.06 standard Pullman sleeping cars at $6,500	390 00	
Total rolling stock to this State at $455.2724 per mile	$3,710 47	
8.15 miles road-bed and superstructure at $7,500 per mile	61,125 00	
Buildings on right of way	1,000 00	
"All other property" at $2,078.7276 per mile	16,941 63	
Total		$82,777 10

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Ex "H"

P. 144 to 153 inclusive

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MISSOURI, KANSAS & TEXAS RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Missouri, Kansas & Texas Railway Company on the first day o June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
St. Charles			43.80	$15,683		$686,915 40		$6,650 00		$693,565 40
	Port. des Sioux		3.50	15,683	$54,890 50		$800 00		$55,690 50	
	St. Charles		18.58	15,683	291,390 14		3,200 00		294,590 14	
	Dardenne		6.45	15,683	101,155 35		1,000 00		102,155 35	
	Femme Osage		15.27	15,683	239,479 41		1,650 00		241,129 41	
		St. Charles	1.76	15,683	27,602 08		2,000 00		29,602 08	
		Augusta	.30	15,683	4,704 90		900 00		5,604 90	
Warren			28.63	15,683		449,004 29		3,000 00		452,004 29
	Charette		14.42	15,683	226,148 86		2,000 00		228,148 86	
	Pinckney		7.71	15,683	120,915 93		500 00		121,415 93	
	Bridgeport		6.56	15,683	101,939 50		500 00		102,439 50	
Montgomery			12.75	15,683		199,958 25		1,850 00		201,808 25
	Loutre		12.75	15,683	199,958 25		1,850 00		201,808 25	
		Rhineland	.78	15,683	12,232 74		500 00		12,732 74	
Callaway			35.40	15,683		555,178 20		5,800 00		560,978 20
	Auxvasse		10.10	15,683	158,398 30		900 00		159,298 30	
	St. Aubert		6 52	15,683	102,253 16		2,500 00		104,753 16	
	Cote S. Dessein		8.07	15,683	126,561 81		500 00		127,061 81	
	Summit		10.71	15,683	167,964 93		1,900 00		169,864 93	
		Mokane	.64	15,683	10,037 12		2,400 00		12,437 12	
Boone			31.28	15,683		490,564 24		4,360 00		494,924 24
	Cedar		22.12	15,683	346,907 96		3,360 00		350,267 96	
	Missouri		9.16	15,683	143,656 28		1,000 00		144,656 28	
		Hartsburg	.13	15,683	2,038 79		600 00		2,638 79	
		Rocheport	.71	15,683	11,134 93		500 00		11,634 93	
Howard			11.84	15,683		185,686 72		10,950 00		196,636 72
	Moniteau		5.55	15,683	87,040 65		450 00		87,490 65	
	Franklin		6.29	15,683	98,646 07		10,500 00		109,146 07	
		Franklin	1.35	15,683	21,172 05		10,000 00		31,172 05	
Cooper			24.63	15,683		386,272 29		4,400 00		390,672 29
	Boonville		6.70	15,683	105,076 10		1,600 00		106,676 10	
	Pilot Grove		7.40	15,683	116,054 20		600 00		116,654 20	
	Clear Creek		5.86	15,683	91,902 38		600 00		92,502 38	
	Lebanon		2.67	15,683	41,873 61		1,000 00		42,873 61	
	Otterville		2.00	15,683	31,366 00		600 00		31,966 00	
		Boonville	1.09	15,683	17,094 47		1,600 00		18,694 47	

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		Pilot Grove	.50	15,683	7,841 50		600 00		8,441 50	
		Harriston	.50	15,683	7,841 50		500 00		8,341 50	
		Pleasant Green	.50	15,683	7,841 50		600 00		8,441 50	
		Clifton	.50	15,683	7,841 50		600 00		8,441 50	
	Pettis		30.23	15,683		474,097 09		16,500 00		490,597 09
		No. 8	7.57	15,683	118,720 31		600 00		119,320 31	
		No. 7	.13	15,683	2,038 79				2,038 79	
		No. 10	7.18	15,683	112,603 94		15,300 00		127,903 94	
		No. 11	6.31	15,683	98,959 73				98,959 73	
		No. 14	1.12	15,683	17,564 98				17,564 98	
		No. 13	7.92	15,683	124,209 36		600 00		124,809 36	
		Sedalia	3.18	15,683	49,871 94		15,300 00		65,171 94	
		Green Ridge	.80	15,683	7,841 50		700 00		8,541 50	
	Henry		37.04	15,683		580,898 32		6,000 00		586,898 32
		Windsor	8.96	15,683	140,519 68		1,000 00		141,519 68	
		Tebo	1.56	15,683	24,465 48		900 00		25,365 48	
		Deer Creek	6.42	15,683	100,684 86		300 00		100,984 86	
		Fields Creek	1.86	15,683	29,170 38				29,170 38	
		Clinton	6.47	15,683	101,469 01		1,550 00		103,019 01	
		Davis	3.24	15,683	50,812 92		750 00		51,562 92	
		Bear Creek	3.48	15,683	54,576 84				54,576 84	
		Deepwater	5.05	15,683	79,199 15		1,500 00		80,699 15	
		Windsor	1.23	15,683	19,290 09		1,000 00		20,290 09	
		Calhoun	1.00	15,683	15,683 00		900 00		16,583 00	
		Clinton	1.50	15,683	23,524 50		1,500 00		25,024 50	
		Montrose	.50	15,683	7,841 50		1,500 00		9,341 50	
	St. Clair		6.74	15,683		105,703 42		600 00		106,303 42
		Appleton	6.74	15,683	105,703 42		600 00		106,303 42	
		Appleton City	.50	15,683	7,841 50		600 00		8,441 50	
	Bates		5.43	15,683		85,158 68		600 00		85,758 68
		Hudson	1.43	15,683	22,426 68				22,426 68	
		Rockville	4.00	15,683	62,732 00		600 00		63,332 00	
		Rockville	.60	15,683	9,409 80		600 00		10,009 80	
	Vernon		36.48	15,683		572,115 84		14,100 00		586,215 85
		Bacon	9.21	15,683	144,440 44		1,800 00		146,240 44	
		Blue Mound	.06	15,683	940 98				940 98	
		Walker	7.62	15,683	119,504 46		800 00		120,304 46	
		Washington	2.23	15,683	34,973 09				34,973 09	
		Centre	5.15	15,683	80,767 45		10,500 00		91,267 45	
		Deerfield	6.16	15,683	96,607 28		500 00		97,107 28	
		Coal	6.05	15,683	94,882 15		500 00		95,382 15	
		Shell City	.50	15,683	7,841 50		1,000 00		8,841 50	
		Harwood	.22	15,683	3,450 26		200 00		3,650 26	
		Walker	.80	15,683	12,546 40		800 00		13,346 40	
		Nevada	.63	15,683	9,880 29		10,500 00		20,380 29	
		Deerfield	.13	15,683	2,038 79		150 00		2,188 79	
	Totals					$4,771,552 75		$74,810 00		$4,846,362 75

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ITEMIZED STATEMENT.

Length of road in State of Missouri	506.21
Length of road in other States	2,566.80
Total	3,073.01
ROLLING STOCK.	
354 locomotives at $4,000	$1,416,000 00
102 passenger cars at $2,250	229,500 00
40 chair cars at $3,500	140,000 00
29 combination cars at $1,500	43,500 00
16 postal cars at $2,000	32,000 00
47 baggage cars at $1,000	47,000 00
164 caboose cars at $400	65,600 00
4,011 flat and coal cars at $200	802,200 00
8,227 box, grain and merchandise cars at $250	2,056,750 00
1,181 stock cars at $250	295,250 00
429 ballast cars at $200	85,800 00
124 cinder cars at $200	24,800 00
272 refrigerator cars at $350	95,200 00
19 tool cars at $250	4,750 00
2 pile driver cars at $1,000	2,000 00
1 boarding car at $250	250 00
3 derrick cars at $450	1,350 00
2 ditcher cars at $650	1,300 00
3 steam shovel cars at $1,500	4,500 00
1 steam hand car at $250	250 00
1 plow car at $500	500 00
4 official cars at $5,000	20,000 00
3 convict cars at $300	900 00
162 cotton cars at $200	32,400 00
500 hand and push cars at $10	5,000 00
2 wrecking cars at $450	900 00
5 work cars at $250	1,250 00
1 air brake car at $1,000	1,000 00
Total rolling stock used over 3,073.01 miles	$5,409,950 00
2,566.80 miles rolling stock to other States at $1,760.4726 per mile	4,518,781 17
Proportion of rolling stock to this State	$891,168 83
201.96 miles rolling stock to branches, this State, at $1,760.4726 per mile	355,545 04
Proportion of rolling stock to main line, this State	$535,623 79
3.202 standard Pullman sleeping cars at $6,500	20,813 00
1.713 buffet Pullman sleeping cars at $5000	8,565 00
.221 tourist Pullman sleeping cars at $1,500	331.50
Total rolling stock to main line, this State, at $1,858.1209 per mile	$565,333 29
304.25 miles road-bed and superstructure at $10,250 per mile	3,118,562 50

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Buildings on right of way	74,810 00	
"All other property" at $3,574.8791 per mile	1,087,656 96	
Total		$4,846,362 75

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ERTICAL IN BOOK

MISSOURI, KANSAS & TEXAS RAILWAY (KANSAS CITY DIVISION).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Pettis			1.72	$8,261		$14,208 92		$650 00		$14,858 92
	Greenridge		1.72	8,261	$14,208 92		$650 00		$14,858 92	
Johnson			39.68	8,261		327,796 48		4,150 00		331,946 48
	Jefferson		7.01	8,261	57,909 61		600 00		58,509 61	
	Post Oak		8.32	8,261	68,731 52		500 00		69,231 52	
	Chilhowee		12.04	8,261	99,462 44		700 00		100,162 44	
	Madison		6.71	8,261	55,431 31		2,350 00		57,781 31	
	Kingsville		2.52	8,261	20,817 72				20,817 72	
	Rose Hill		3.08	8,261	25,443 88				25,443 88	
		Holden	2.14	8,261	17,678 54		2,250 00		19,928 54	
Cass			27.60	8,261		228,003 60		4,200 00		232,203 60
	Index		4.11	8,261	33,952 71		900 00		34,852 71	
	Camp Branch		4.99	8,261	41,222 39				41,222 39	
	Peculiar		3.57	8,261	29,491 77		600 00		30,091 77	
	Grand River		5.79	8,261	47,831 19		1,500 00		49,331 19	
	Dolan		5.00	8,261	41,305 00		1,200 00		42,505 00	
	West Dolan		4.14	8,261	34,200 54				34,200 54	
		Gunn City	.50	8,261	4,130 50		400 00		4,530 50	
		West Line	.22	8,261	1,817 42		600 00		2,417 42	
		East Lynne	.50	8,261	4,130 50		600 00		4,730 50	
		Harrisonville	.60	8,261	4,956 60		1,500 00		6,456 60	
		Freeman	.50	8,261	4,130 50		1,000 00		5,130 50	
Totals						$570,009 00		$9,000 00		$579,009 00

ITEMIZED STATEMENT.

Length of road in State of Missouri	69.00	
69.00 miles rolling stock at $1,760.4726 per mile	$121,472 61	
69.00 miles road-bed and superstructure at $5,500 per mile	379,500 00	
Buildings on right of way	9,000 00	
"All other property" at $1,000.5274 per mile	69,036 39	
Total		$579,009 00

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County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Howard			22.70	$12,901		$292,852 70		$3,700 00		$296,552 70
	Franklin		5.20	12,901	$67,085 20		$500 00		$67,585 20	
	Prairie		2.00	12,901	25,802 00				25,802 00	
	Richmond		8.50	12,901	109,658 50		2,400 00		112,058 50	
	Bonne Femme		7.00	12,901	90,307 00		800 00		91,107 00	
		Franklin	1.19	12,901	15,352 19		800 00		16,152 19	
		Fayette	1.40	12,901	18,061 40		2,400 00		20,461 40	
Randolph			20.25	12,901		261,245 25		3,500 00		264,745 25
	Moniteau		7.10	12,901	91,597 10		1,500 00		93,097 10	
	Prairie		3.02	12,901	38,961 02		500 00		39,461 02	
	Sugar Creek		4.24	12,901	54,700 24		1,500 00		56,200 24	
	Union		5.89	12,901	75,986 89				75,986 89	
		Higbee	.85	12,901	10,965 85		1,200 00		12,165 85	
		Moberly	1.49	12,901	19,222 49		1,500 00		20,722 49	
Monroe			40.60	12,901		523,780 60		5,500 00		529,280 60
	Union		.80	12,901	10,320 80		200 00		10,520 80	
	Marion		10.10	12,901	130,300 10		800 00		131,100 10	
	Jackson		14.00	12,901	180,614 00		2,050 00		182,664 00	
	Jefferson		3.90	12,901	50,313 90		600 00		50,913 90	
	Indian Creek		4.20	12,901	54,184 20		1,200 00		55,384 20	
	Monroe		7.60	12,901	98,047 60		650 00		98,697 60	
		Madison	.46	12,901	5,934 46		200 00		6,134 46	
		Holliday	.51	12,901	6,579 51		800 00		7,379 51	
		Paris	.75	12,901	9,675 75		1,200 00		9,875 75	
		Stoutsville	.65	12,901	8,385 65		600 00		8,985 65	
		Monroe	1.05	12,901	13,546 05		600 00		14,146 05	
Ralls			14.30	12,901		184,484 30		1,400 00		185,884 30
	Saverton		.30	12,901	3,870 30				3,870 30	
	Clay		5.00	12,901	64,505 00				64,505 00	
	Saline		9.00	12,901	116,109 00		1,400 00		117,509 00	
Marion			7.00	12,901		90,307 00		3,600 00		93,907 00
	Miller		4.50	12,901	58,054 50				58,054 50	
	Mason		2.50	12,901	32,252 50		3,600 00		35,852 50	
		Hannibal	2.02	12,901	26,060 02		3,600 00		29,660 02	
Totals						$1,352 889 85		$17,700 00		$1,370,389 85

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STATE BOARD OF EQUALIZATION. 5231 149

ITEMIZED STATEMENT.

Length of road in State of Missouri	104.85	
104.85 miles rolling stock at $1,760.4726 per mile	$184,585 54	
104.85 miles road-bed and superstructure at $9,000 per mile	943,650 00	
Buildings on right of way	17,700 00	
"All other property" at $2,140.5274 per mile	224,434 31	
Total		$1,370,369 85

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VERTICAL IN BOOK

STATE BOARD OF EQUALIZATION.

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9955

MISSOURI, KANSAS & TEXAS RAILWAY (El Dorado Springs Branch).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property." No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Buildings. Valuation in subdivision.	Valuation in county.	Totals. Value in subdivision.	Value in county.
Vernon			10.59	$6,261		$66,303 99		$400 00		$66,703 99
	Walker		3.69	6,261	$23,103 09				$23,103 09	
	Clear Creek		6.90	6,261	43,200 90		$400 00		43,600 90	
		Walker	.32	6,261	2,003 52				2,003 52	
Cedar			3.41	6,261		21,350 01		700 00		22,050 01
	Filley		3.41	6,261	21,350 01			700 00	22,050 01	
		Eldorado Spgs.	.60	6,261	3,756 60		700 00		4,456 60	
Totals						$87,654 00		$1,100 00		$88,754 00

ITEMIZED STATEMENT.

Length of road in State of Missouri	14.00	
14.00 miles rolling stock at $1,760.4726 per mile	$24,646 62	
14.00 miles road-bed and superstructure at $3,500 per mile	49,000 00	
Buildings on right of way	1,100 00	
"All other property" at $1,000.5274 per mile	14,007 38	
Total		$88,754 00

9956

MISSOURI, KANSAS & TEXAS RAILWAY (COLUMBIA BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Boone			8.48	$6,261		$53,093 28		$350 00		$53,443 28
	Columbia		.99	6,261	$6,198 39		$350 00		$6,548 39	
	Missouri		7.49	6,261	46,894 89				46,894 89	
		Columbia	.73	6,261	4,570 53		350 00		4,920 53	
Totals						$53,093 28		$350 00		$53,443 28

ITEMIZED STATEMENT.

Length of road in State of Missouri	8 48	
8.48 miles rolling stock at $1,760.4726 per mile	$14,928 81	
8.48 miles road-bed and superstructure at $3,500 per mile	29,680 00	
Buildings on right of way	350 00	
"All other property" at $1,000.5274 per mile	8,484 47	
Total		$53,443 28

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ERTICAL IN BOOK

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MISSOURI, KANSAS & TEXAS RAILWAY (JOPLIN BRANCH).

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Jasper			5.63	$4,761		$26,804 43				$26,804 43
	Galena		5.63	4,761	$26,804 43				$26,804 43	
		Joplin	.78	4,761	3,713 58				3,713 58	
Totals						$26,804 43				$26,804 43

ITEMIZED STATEMENT.

Length of road in State of Missouri	5.63	
5.65 miles rolling stock at $1,760.4726 per mile	$9,911 46	
5.63 miles road-bed and superstructure at $3,000.5274 per mile	16,892 97	
Total		$26,804 43

SUMMARY OF THE MISSOURI, KANSAS & TEXAS SYSTEM.

304.25 miles main line		$4,846,382 75
69.00 miles Kansas City Division		579,009 00
104.85 miles Hannibal Division		1,370,369 85
14.00 miles Eldorado Springs Branch		88,754 00
8.48 miles Columbia Branch		53,443 26
5.63 miles Joplin Branch		26,804 43
506.21 miles. Total		$6,964,743 31

9957

MISSOURI PACIFIC RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Missouri Pacific Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization, in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision	Value in county.
St. Louis City			7.03	$21,433		$150,673 99		$122,000 00		$272,673 99
	Old Limits		2.47	21,433	$52,939 51		$120,000 00		$172,939 51	
	New Limits		4.56	21,433	97,734 48		2,000 00		99,734 48	
St. Louis Co.			29.49	21,433		632,059 17	11,400 00			643,459 17
	Central		6.49	21,433	139,100 17		2,800 00		141,900 17	
	Carondelet		6.00	21,433	128,598 00		750 00		129,348 00	
	Bonhomme		7.00	21,433	150,031 00		6,000 00		156,031 00	
	Meramec		10.00	21,433	214,330 00		1,850 00		216,180 00	
		Kirkwood	1.73	21,433	37,079 09		3,600 00		40,679 09	
		Pacific	.10	21,433	2,143 30				2,143 30	
		Webster Groves	2.20	21,433	47,152 60		500 00		47,652 60	
Franklin			38.50	21,433		825,170 50		10,400 00		835,570 50
	Boles		13.50	21,433	289,345 50		5,600 00		294,945 50	
	Washington		10.00	21,433	214,330 00		2,800 00		217,130 00	
	Boeuf		15.00	21,433	321,495 00		2,000 00		323,495 00	
		Pacific	1.30	21,433	27,862 90		4,000 00		31,862 90	
		Washington	2.00	21,433	42,866 00		2,400 00		45,286 00	
		New Haven	1.00	21,433	21,433 00		800 00		22,233 00	
Gasconade			16.20	21,433		348,929 24		2,900 00		351,829 24
	Roark		9.50	21,433	203,613 50		1,300 00		204,913 50	
	Richland		6.78	21,433	145,315 74		1,600 00		146,915 74	
		Herrmann	1.30	21,433	27,862 90		1,300 00		29,162 90	
		Morrison	1.00	21,433	21,433 00		550 00		21,983 00	
Osage			23.83	21,433		510,748 39		2,800 00		513,598 39
	Benton		10.59	21,433	226,975 47		2,150 00		229,125 47	
	Linn		13.24	21,433	283,772 92		700 00		284,472 92	
		Chamois	1.34	21,433	28,720 22		1,400 00		30,120 22	
Cole			24.40	21,433		522,965 20		15,500 00		538,465 20
	Liberty		3.50	21,433	75,015 50		1,400 00		76,415 50	
	Jefferson		12 30	21,433	263,625 90		13,000 00		276,625 90	
	Marion		8.60	21,433	184,323 80		1,100 00		185,423 80	
		Jefferson City	1.75	21,433	37,507 75		12,600 00		50,107 75	
Moniteau			24.01	21,433		514,606 33		3,600 00		518,206 33
	Walker		9.43	21,433	202,113 19		1,700 00		203,813 19	
	Moreau		6.75	21,433	144,672 75		500 00		145,172 75	
	Willow Fork		7.83	21,433	167,820 39		1,400 00		169,220 39	
		Clarksburg	.80	21,433	17,146 40		500 00		17,646 40	

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1 refrigerator car at $350	350 00	
2 tool and derrick cars at $400	800 00	
15 hand-and push cars at $10	150 00	
Total rolling stock ($734.0392 per mile)	$40,450 00	
83.28 miles road-bed and superstructure at $12,000 per mile	739,360 00	
Buildings on right of way	10,700 00	
"All other property" at $3,095.9606 per mile	195,912 40	
Total		$1,012,422 40

SUMMARY OF THE CHICAGO, BURLINGTON & QUINCY SYSTEM.

204.32	miles Hannibal & St. Joseph Branch	$4,436,817 76
54.282	miles Cameron Branch	1,172,[illegible]44
15.89	miles Atchison Branch	[illegible],006 20
14.84	miles Palmyra Branch	194,418 40
103.32	miles Chicago, Burlington & Kansas City Branch	729,510 72
140.48	miles Kansas City, St. Joseph & Council Bluffs Branch	2,451,244 58
2.96	miles Atchison Branch	27,264 80
31.54	miles Nodaway Valley Branch	282,570 00
25.42	miles Tarkio Valley Branch	241,011 90
9.782	miles Brownville & Nodaway Valley Branch	91,525 40
163.201	miles St. Louis, Keokuk & Northwestern Branch	3,257,381 41
10.60	miles St. Peters Branch	38,304 20
.46	miles Alton Branch	3,806 50
99.62	miles Keokuk & Western Branch	861,319 78
11.58	miles Des Moines & Kansas City Branch	56,085 52
52.13	miles Hopkins Branch	547,141 80
48.05	miles St. Joseph & Des Moines Branch	402,750 10
19.822	miles Grant City & Southern Branch	138,674 47
49.553	miles Leon, Mount Ayr & Southwestern Branch	407,130 16
46.59	miles Leon & St. Louis (C. B. & Q. R. R. Co., Lessee)	211,830 98
3.09	miles Atchison & Nebraska	133,797 00
9.86	miles St. Joseph & Nebraska	73,359 12
63.28	miles Old Monroe—Mexico Branch	1,012,[illegible]40
1,146.939 miles	Total	$16,784,284 64

9959

STATE BOARD OF EQUALIZATION.

5287

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Ex "J"

P 104 to 105 inclusive

CHICAGO GREAT WESTERN RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago Great Western Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision.	Value in county.
Worth			8.92	$13,422		$119,724 24		$1,500 00		$121,224 24
	Union		8.92	13,422	119 724 24		$1,500 00		$121,224 24	
		Sheridan	.40	13.422	5,368 80		800 00		6,168 80	
Nodaway			25.47	13,422		341,858 34		4,500 00		346,358 34
	Independence		2.95	13,422	39,594 90		1,500 00		41,094 90	
	Jackson		9.77	13,422	131,132 94		500 00		131,632 94	
	Jefferson		7.13	13,422	95,698 86		1,000 00		96,698 86	
	Washington		5.62	13,422	75,431 64		1,500 00		76,931 64	
		Parnell		13,422			1,500 00		1,500 00	
		Ravenwood		13,422			500 00		500 00	
		Guilford		13,422			1,500 00		1,500 00	
		Conception		13,422			1,000 00		1,000 00	
Andrew			23.00	13,422		308,706 00		4,150 00		312,856 00
	Platte		6.34	13,422	85,095 48		2,500 00		87,595 48	
	Benton		2.75	13,422	36,910 50		600 00		37,510 50	
	Nodaway		7.57	13,422	101,604 54		1,050 00		102,654 54	
	Jefferson		6.34	13,422	85,095 48				85,095 48	
		Savannah	.67	13,422	8,992 74		1,050 00		10,042 74	
Buchanan			13.46	13,422		180,660 12		22,000 00		202,660 12
	Washington		4.07	13,422	54,627 54		21,175 00		75,802 54	
	Centre		3.24	13,422	43,487 28		425 00		43,912 28	
	Crawford		6.15	13,422	82,545 30		400 00		82,945 30	
		St. Joseph	1.39	13,422	18,656 58		19,675 00		38,331 58	
Platte			13.58	13,422		182,270 76		1,700 00		183,970 76
	Greene		7.05	13,422	94,625 10		1,700 00		96,325 10	
	Fair		5.88	13,422	78,921 36				78,921 36	
	Weston		.65	13,422	8,724 30				8,724 30	
		New Market	.41	13,422	5,503 02		400 00		5,903 02	
		Dearborn	.41	13,422	5,503 02		900 00		6,403 02	
Jackson				13,422				15,000 00		15,000 00
	Kaw			13,422			15,000 00		15,000 00	
		Kansas City		13,422			15,000 00		15,000 00	
Totals						$1,133,219 46		$48,850 00		$1,182,069 46

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ITEMIZED STATEMENT.

Length of road in State of Missouri	$84.43	
Length of road in other States	1,391.29	
Total	1,475.72	
ROLLING STOCK.		
309 locomotives at $4,000	$1,236,000 00	
29 chair cars at $3,500	101,500 00	
79 passenger cars at $2,250	177,750 00	
4 dining cars at $5,000	20,000 00	
4 business cars at $3,500	14,000 00	
43 combination cars at $1,500	64,500 00	
9 boarding cars at $250	2,250 00	
19 baggage cars at $1,000	19,000 00	
135 caboose cars at $400	54,000 00	
6,265 box cars at $250	1,566 250 00	
608 stock cars at $250	152,000 00	
1,553 flat and coal cars at $200	310,600 00	
246 refrigerator cars at $350	86,100 00	
501 furniture cars at $250	125,250 00	
3 tank cars at $400	1,200 00	
8 derrick cars at $450	3,600 00	
19 wrecking cars at $450	8,550 00	
2 pile drivers at $1,000	2,000 00	
9 tool cars at $250	2,250 00	
204 dump cars at $250	51,000 00	
345 hand and push cars at $10	3,450 00	
12 velocipede cars at $15	180 00	
Total rolling stock used over 1,475.72 miles	$4,001,430 00	
391.29 miles rolling stock to other States at $2,711.5103 per mile	3,772,497 16	
Proportion of rolling stock to this State	$228,932 84	
1.109 standard Pullman sleeping cars at $6,500	7,208 50	
.084 tourist Pullman sleeping cars at $1,500	126 00	
Total rolling stock to this State at $2,798.3813 per mile	$236,267 34	
84.43 miles road-bed and superstructure at $8,000 per mile	675,440 00	
Buildings on right of way	48,850 00	
"All other property" at $2,623.6187 per mile	221,512 12	
Total		$1,182,069 46

(Here follows Mark of Rock-Island-Frisco Line for June, 1907 marked Page 9963)

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99812

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY.

Aggregate and detail description and valuation of property in the State of Missouri, owned by the Chicago, Milwaukee & St. Paul Railway Company on the first day of June, 1906, as assessed, adjusted and equalized by the State Board of Equalization in 1907.

County.	Township.	City and town.	Road-bed, superstructure, rolling-stock and "all other property."				Buildings.		Totals.	
			No. of miles.	Valuation per mile.	Valuation in subdivision.	Valuation in county.	Valuation in subdivision.	Valuation in county.	Value in subdivision	Value in county.
Putnam			14.71	$17,472		$257,613 12		$1,150 00		$258,763 12
	York		7.81	17,472	$136,456 32		$875 00		$137,331 32	
	Medicine		6.96	17,472	120,556 80		875 00		121,431 80	
		Lucerne	.34	17,472	5,940 48		875 00		6,815 48	
Sullivan			18.40	17,472		321,484 80		3,370 00		324,854 80
	Clay		6.22	17,472	108,675 84		2,500 00		111,175 84	
	Liberty		6.16	17,472	107,627 52				107,627 52	
	Bowman		6.02	17,472	105,181 44		870 00		106,051 44	
		Newtown	.53	17,472	9,260 16		1,500 00		10,760 16	
		Harris	.51	17,472	8,910 72		870 00		9,780 72	
Grundy			12.64	17,472		220,846 08		4,300 00		225,146 08
	Liberty		.92	17,472	16,074 24		800 00		16,874 24	
	Marion		6.83	17,472	119,333 76				119,333 76	
	Wilson		4.89	17,472	85,438 08		3,500 00		88,938 08	
		Laredo	.38	17,472	6,639 36		3,500 00		10,139 36	
		Galt	.92	17,472	16,074 24		800 00		16,874 24	
Livingston			30.08	17,472		525,557 76		9,840 00		535,397 76
	Medicine		.15	17,472	2,620 80				2,620 80	
	Cream Ridge		6.40	17,472	111,820 80		600 00		112,420 80	
	Rich Hill		5.83	17,472	101,861 76		870 00		102,731 76	
	Chillicothe		3.59	17,472	62,724 48		6,000 00		68,724 48	
	Grea[illegible]		5.31	17,472	92,776 32				92,776 32	
	Blue Mound		1.40	17,472	24,460 80		870 00		25,330 80	
	Monroe		7.40	17,472	129,292 80		1,500 00		130,792 80	
		Chillicothe	1.98	17,472	34,594 56		6,000 00		40,594 56	
		Chula	.31	17,472	4,416 32		600 00		5,016 32	
Caldwell			22.57	17,455		394,343 04		3,200 00		397,543 04
	Fairview		1.03	17,472	17,996 16				17,996 16	
	Davis		6.64	17,472	116,014 08		900 00		116,914 08	
	Lincoln		6.31	17,472	110,248 32		900 00		111,148 32	
	Grant		6.29	17,472	109,898 88		1,400 00		111,298 88	
	Rockford		2.30	17,472	40,185 60				40,185 60	
		Braymer	.29	17,472	4,066 88		900 00		4,966 88	
		Polo	.44	17,472	8,687 68		1,400 00		8,087 68	
		Cowgill	.39	17,472	5,814 08		900 00		6,714 08	

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9964 Afterwards, to wit, on the 22nd day of March, 1909, the same being a day of the regular November term of said Court a Final Decree was filed and entered of record. Said Final Decree is in words and figures as follows:—

In the Circuit Court of the United States, Western District of Missouri, at Kansas City.

No. 2998. Equity.

CHICAGO, BURLINGTON & QUINCY RAILWAY COMPANY, Complainant,
vs.
JOHN A. KNOTT, JOSEPH P. RICE, and FRANK A. WIGHTMAN, Railroad Commissioners of the State of Missouri; Herbert S. Hadley, Attorney General of the State of Missouri; Charles M. Daily, William F. Davis, and James F. Robb; H. R. Oglesby, Railroad Commissioner of the State of Missouri; Joseph M. Patterson, Charles E. Moss, and George Dodd, County Judges, and Arthus C. Warner, County Treasurer; Thomas Van Natta and Vinton Pike, and Elliott W. Major, Attorney General of the State of Missouri, Respondents.

Final Decree.

The above entitled case this March 8th, 1909 comes on for final decree upon the evidence and stipulations upon file and of record herein, the case having heretofore been fully argued and fully submitted and taken under advisement. And now at this time the Court being fully advised in the premises, the parties appearing by their respective counsel, for reasons stated in an opinion by the Trial Judge and findings of fact signed and filed herein, orders, adjudges and decrees:

1. The maximum freight rate laws of Missouri, of 1905 and 1907, and the passenger rate law of 1907, mentioned in paragraph 2 hereof, and set forth in the original bill and amendments and supplements thereto, are unreasonable and confiscatory; do not afford the complainant any fair or reasonable return upon the value of its property, and to comply therewith would take the property of complainant without due process of law. None of the provisions thereof should or can be rightfully enforced against complainant, its officers, agents or employés. A finding of fact has been prepared and filed, and is hereby referred to as if made part hereof.

9965 2. Defendants Elliott W. Major, Attorney General of the State of Missouri, John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad Commissioners of the State of Missouri, and each of them, their agents, employés and successors, are hereby enjoined from enforcing, or attempting, directly or indirectly, by suit or in any other manner whatsoever, to enforce against complainant, its officers, agents, employés or servants, any of the provisions of, or penalties provided for in the following acts of the legislature of the State of Missouri:

First, an act approved April 14, 1905, entitled:

"An act to amend article IV, chapter 12 of the Revised Statutes of Missouri of 1899, entitled 'Railroad classification, charges, commissioners,' by adding a new section thereto, to be known as section 1195*a*."

Second, an act approved April 15, 1905, entitled:

"An act entitled 'An act to amend chapter 12 of the Revised Statutes of Missouri, revision of 1899, entitled "Corporations, private," by repealing section 1194 of said Revised Statutes, being part of article IV of said chapter concerning railroad classification, charges, commissioners, and to enact in lieu thereof the following new sections providing for the regulation of freight charges by railroads and the recovery of penalties for the violation thereof.'"

Third, an act approved February 27, 1907, entitled:

"An act to repeal sections 1191 and 1192 of chapter 12, article 4, Revised Statutes of Missouri, 1899, entitled 'Railroad classification, charges, commissioners,' by striking out sections 1191 and 1192 and enacting the following new sections in lieu thereof to be known as sections 1191 and 1192 and 1192*a*."

Fourth, an act approved March 19, 1907, entitled:

"An act to repeal an act of the 43rd general assembly, approved April 15, 1905, entitled 'An act to amend chapter 12 of the Revised Statutes of Missouri, revision of 1899, entitled "Corporations, private," by repealing section 1194 of said Revised Statutes,
9966 being part of Article IV of said chapter, concerning railroad classification, charges, commissioners, and to enact in lieu thereof the following new sections providing for the regulation of freight charges by railroads and the recovery of penalties for the violation thereof; and to repeal an act of the 43rd general assembly, approved April 14, 1905, entitled 'An act to amend Article IV, chapter 12, of the Revised Statutes of Missouri, 1899, entitled "Railroad classification, charges, commissioners," by adding a new section thereto, to be known as section 1195*a*, fixing the charges for carrying undressed stone, crushed rock and building or paving brick,' and to enact in lieu thereof certain new sections, to be known as section 1194, 1194*a*-1, 1194*b*-1 and 1194*c*-1, providing for the regulation of freight charges by railroads and prescribing the punishment for a violation thereof, which new section shall read as follows:"

Fifth, an act approved March 19, 1907, entitled:

"An act to amend article 4, chapter 12, Revised Statutes of Missouri of 1899 by adding a new section thereto, to be known as section 1195*a*, and relating to freight charges and classifications."

3. The other defendants who are officers, and their successors, are likewise enjoined from enforcing or attempting to enforce any of said statutory enactments.

4. There is no evidence that either defendants Daily, Davis, Robb, Van Natta or Pike has threatened or intended to institute any action or proceeding against complainant as averred in the bill of complaint, and the said bill of complaint and the amendments and supplements *is* upon that ground as to said defendants in this

paragraph named, dismissed. If, however, at any future time said defendants or either of them in this paragraph named, should take any action, or threaten or attempt to take any action under either or all of said statutes hereinbefore designated, then and in that case the complainant herein may apply to this court by supplemental bill or otherwise as it may be advised for further orders in that behalf.

5. It is further ordered, adjudged and decreed that the defendants, or any of them, when the circumstances have changed so
9967 that the rates fixed as aforesaid shall yield to complainant reasonable compensation for the services aforesaid, may apply to this Court by supplemental bill or otherwise, as defendants or either of them may be advised, for further orders in their behalf.

And complainant may at any time by supplemental bill or otherwise bring into the case any person, firm or corporation not expressly subject to this decree, who may attempt or threaten to take any action or institute any proceeding against complainant under any of said statutes hereinbefore designated, to the end that such orders or supplemental decrees may be entered as the facts and equity may warrant and require.

And the Court retains and reserves unto it jurisdiction over all the parties hereto, and all subjects matter herein not now covered by the pleadings, to the end that such other and further orders and decrees may be made hereafter as may become necessary by reason of any changed condition as to the facts, equities or rights that may hereafter take place or arise.

6. The taxable costs of the case including those covered by orders of the Court, heretofore made or hereafter made on motion to tax or retax, including printing bill of Buxton-Skinner Stationery Company, shall be paid as follows, to-wit:

The one half by complainant and the other half by defendants to be recovered by execution to be issued by the Clerk of this Court upon application of any party in interest.

Done and ordered of record as of March 8th, 1909, in open court this March 22nd, 1909, at Kansas City, Missouri.

(Signed) SMITH McPHERSON, *Judge.*

Afterwards, to wit, on the 22nd day of March, 1909 a Motion to modify and change Opinion and decree was filed. Said motion is in words and figures as follows:—

9968 In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2988. Equity.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY
vs.
HERBERT S. HADLEY et al.

And Equity Cases No. 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3006.

Motion.

Now comes complainant in each one of the above numbered cases, and separately moves the court to modify and change its opinion and decree in these respects:

1. To strike from the opinion paragraph 4 thereof because it is based upon a misconception, and is an erroneous statement of the law.

2. To strike from paragraph 11 of the opinion these words "it being a legislative act, and not a judicial one, this Court can not fix rates. If it could, two and one-half cent passenger rates would be fixed for the stronger roads, and three for the others. But that is for the legislature acting itself with experts, such as the State employed in these cases, or through a Commissioner with like assistance."

This, for the reason that it was no part of the duty of the court to so decide, and it is directly in conflict with the express findings of fact. At a two and a half cent rate the returns would not be sufficient compensation.

3. To strike from paragraph 11 of the opinion these words: "Each party will pay the costs by such party made, except the compensation of the Master and stenographer. The half of those will be paid by complainants, and the other half by respondents."

This, for the reason that it is contrary to the rules and principles of law and equity and good conscience.

9969 4. To modify the decree so far as it taxes any costs against complainant, and to re-tax the same, for that there is no reason in equity or good conscience to tax same against it.

FRANK HAGERMAN,
Solicitor for Complainant.

Afterwards, to wit, on the 3rd day of April, 1909, an Amended Motion for modification of decree was filed. Said Amended motion is in words and figures as follows:

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2988. Equity.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY
vs.
HERBERT S. HADLEY et al.

And Equity Cases Nos. 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3006.

Amended Motion.

Now comes complainant in each and every one of the above entitled causes, and separately amends the motion heretofore filed to modify and change the opinion and decree in each and every one of the said causes, and thereupon further moves the court:

1. To set aside the said decree as entered March 22, 1909, as of March 8, 1909, so far as concerns those defendants who neither appeared nor demurred, nor adopted the answers of the railroad commissioners and attorney general, of which there are twenty-six in the eighteen cases. This, for the reason that the court erroneously made provisions for and against said defendants when they were not before it, and when complainants actually asked to dismiss as to them, to which, counsel for the said officers in open court consented. It is neither right nor just to enter a decree against persons not in court, nor can the court refuse complainant- the right to dismiss as to them.

9970 2. To set aside the portion of said decree dismissing the bill as to appearing and answering shippers, for that upon the findings and opinion, as well as upon the pleadings, the laws mentioned in paragraph 2 of the decree so entered as of March 8th, 1909, are confiscatory and void as to the shippers and passengers, and those classes of persons represented by them. Those of them who defended, adopted the answer and defense of the state officers. Each complainant is entitled to have the right involved duly established as against them. Because an injunction is found to be unnecessary as to them is no reason for dismissing the bill, and it is inconsistent to enter such dismissal and then attempt to hold jurisdiction against them in the future as if there had been some adjudication as to their rights.

3. To set aside the provision of said decree as to costs, for that the attempt in the decree to cure the error already rendered in taxing the costs, is erroneous. In the original opinion the decision was that each party should pay the costs by such party made, except the compensation of the master and stenographer, half of which should be paid by complainants and the other half by defendants. In open court it was announced that such rule was adopted solely because the defendants were state officers and the state might not

appropriate the amount necessary to meet these costs. The supreme court has twice decided this is no excuse and no justification for taxing the costs against the other party. It was conceded by both parties that those shippers who adopted the defense of the state officers and were defended by them ought not to be compelled to pay any additional costs. This concession was agreed to by the court; yet, in the decree as now entered, this concession of both sides and the court, is absolutely ignored. The only change made as to the costs is that one-half of all the costs shall be paid by each party. There is no legal excuse or justification to tax any of these costs to complainants; ample money has already been appropriated to the state offi-
9971 cers for the purpose of paying the same, and even if it had not been so appropriated, this would have been no reason for making an order that complainant should pay costs.

FRANK HAGERMAN,
Solicitor for Complainants.

9972 Afterwards, towit, on the 17th day of April 1909, the same being a day of the regular November term of said Court, an Amended Final Decree was filed and entered of record. Said Amended Final Decree is in words and figures as follows:

In the Circuit Court of the United States, Western Division of the Western District of Missouri, at Kansas City.

No. 2998.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY, Complainant,
vs.
HERBERT S. HADLEY, Attorney General, et al., Defendants.

Amended Final Decree.

This case heretofore came on for hearing, the parties appearing by counsel, and was submitted upon the motion and amended motion to change and modify the decree of March 8, 1909, and the court being fully advised in the premises, now upon this 17th day of April, 1909, amends the said decree heretofore entered so that same shall read as follows:

The above entitled cause this March 8th, 1909, comes on for final decree upon the evidence and stipulations upon file and of record herein, the case having heretofore been fully argued and fully submitted and taken under advisement. And now at this time the court being fully advised in the premises, the parties appearing by their respective counsel, for reasons stated in an opinion by the trial judge and findings of fact signed and filed herein, orders, adjudges and decrees:

1. The maximum freight laws of Missouri of 1905 and 1907, and the passenger rate law of 1907, mentioned in paragraph
9973 2 hereof, and set forth in the original bill and amendments and supplements thereto, are unreasonable and confiscatory,

do not afford the complainant any fair or reasonable return upon the value of its property, and to comply therewith would take the property of complainant without due process of law. None of the provisions thereof should or can be rightfully enforced against complainant, its officers, agents or employés. A finding of fact has been prepared and filed, and is hereby referred to as if made part hereof.

2. Defendants Elliott W. Major, Attorney General of the State of Missouri, John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad Commissioners of the state of Missouri, and each of them, their agents, employés and successors, are hereby enjoined from enforcing, or attempting, directly or indirectly, by suit or in any other manner whatsoever, to enforce against complainant, its officers, agents, employés or servants, any of the provisions of, or penalties provided for in the following acts of the legislature of the state of Missouri:

First, an act approved April 14, 1905, entitled:

"An Act to amend article IV, chapter 12 of the Revised Statutes of Missouri of 1899, entitled "Railroad classification, charged, commissioners,' by adding a new section thereto, to be known as section 1195*a*."

Second, an act approved April 15, 1905, entitled:

"An Act, entitled 'An Act to amend chapter 12 of the Revised Statutes of Missouri, revision of 1899, entitled "Corporations, private," by repealing section 1194 of said Revised Statutes, being part of article IV of said chapter concerning railroad classification—charges—commissioners, and to enact in lieu thereof the following new sections providing for the regulation of freight charged by railroads and the recovery of penalties for the violation thereof.' "

Third, an act approved February 27, 1907, entitled:

"An Act to repeal sections 1191 and 1192 of chapter 12, article 4, Revised Statutes of Missouri, 1899, entitled 'Railroad classification—charges—commissioners,' by striking out sections 1191 and 1192 and enacting the following new sections in lieu thereof, to be known as sections 1191 and 1192 and 1192*a*."

Fourth, an act approved March 19, 1907, entitled:

"An act to repeal an act of the 43rd general assembly approved April 15, 1905, entitled 'An Act to amend chapter 12 of the
9974 Revised Statutes of Missouri, revision of 1899, entitled "Corporations, private," by repealing section 1194 of said Revised Statutes, being part of article IV of said chapter, concerning railroad classification, charges, commissioners, and to enact in lieu thereof the following new sections providing for the regulation of freight charges by railroads, and the recovery of penalties for the violation thereof,' and to repeal an act of the 43rd general assembly, approved April 14, 1905, entitled 'An act to amend Article IV, chapter 12 of the Revised Statutes of Missouri, 1899, entitled "Railroad classifications, charges, commissioners," by adding a new section thereto, to be known as section 1195*a*, fixing the charges for carrying undressed stone, crushed rock and building or paving brick,' and to enact in lieu thereof certain new sections, to be known as sections 1194, 1194*a*-1, 1194*b*-1 and 1194*c*-1, providing for the regulation of freight

charges by railroads and prescribing the punishment for a violation thereof, which new sections shall read as follows:"

Fifth, an act approved March 19, 1907, entitled:

"An act to amend article 4, chapter 12, Revised Statutes of Missouri of 1899, by adding a new section thereto, to be known as section 1195*a*, and relating to freight charges and classifications."

3. The other defendants who are officers, and their successors, are likewise enjoined from enforcing or attempting to enforce any of said statutory enactments.

4. There is no evidence that either defendants, Daily, Davis, Robb, Van Natta, or Pike has threatened or intended to institute any action or proceeding against complainant as averred in the bill of complaint, but they have adopted the answers of the Railroad Commissioners and Attorney General. The said bill of complainant and the amendments and supplement to the extent and so far only as it seeks present injunctive relief against them, is upon that ground as to said defendants in this paragraph named, dismissed without prejudice. If, however, at any future time said defendants or either of them in this paragraph named, should take any action, or threaten or attempt to take any action under either or all of said statutes hereinbefore designated, then and in that case the complainant herein may apply to this court by supplemental bill or otherwise as it may be advised, for further orders in that behalf.

9975 5. It is further ordered, adjudged and decreed that the defendants, or any of them, when the circumstances have changed so that the rates fixed as aforesaid shall yield to complainant reasonable compensation for the services aforesaid, may apply to this court by supplemental bill or otherwise, as defendants or either of them may be advised, for further orders in their behalf.

And complainant may at any time by supplemental bill or otherwise bring into the case any person, firm or corporation not expressly subject to this decree, who may attempt or threaten to take any action or institute any proceedings against complainant under any of said statutes hereinbefore designated, to the end that such orders or supplemental decree may be entered as the facts and equity may warrant and require.

And the court retains and reserves unto it, jurisdiction over all the parties hereto, and all subjects matter herein, not now covered by the pleadings, to the end that such other and further orders and decrees may be made hereafter as may become necessary by reason of any changed condition as to the facts, equities or rights that may hereafter take place or arise.

6. The taxable costs of the case including those covered by orders of the court, heretofore made or hereafter made on motion to tax or retax, and including printing bill of Buxton-Skinner Stationery Company shall be paid as follows, to-wit: The one-half by complainant and the other half by defendants who are Railroad Commissioners and the Attorney General, to be recovered by execution to be issued by the clerk of this court upon application of any party in interest.

7. Some of the defendants having announced their intention to appeal, it is now ordered that no appeal shall supersede the injunctive

portions of this decree, but pending any such appeal the complainants shall be permitted to charge the rates permitted by sections
9976 1191 and 1192 of the Revised Statutes of Missouri, 1899, the same as if the Passenger Rate Act approved February 27, 1907, and herein held to be confiscatory, had not been passed. Complainant having by order herein of June 17, 1907, been required to temporarily adopt the rate fixed by said Passenger Rate Act, shall be and is hereby permitted, free from the interference of the parties and classes represented by them, who are hereby ordered not to interfere, to restore and put in force the rates authorized by said sections 1191 and 1192, this court reserving power and jurisdiction from time to time to enforce, change and modify this paragraph of this decree, as well as to protect the complainant in being restored to the right of which said order temporarily deprived it.

8. This decree shall be binding upon and enforceable against the said defendants, not dismissed, their assistants, agents, attorneys and employés, and any class or classes of persons or officers represented by them.

(Signed) SMITH McPHERSON, *Judge.*

9977 Afterwards, to-wit, on the 28th day of July, 1908, the following declinations to join in appeal were filed:

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

ELLIOTT W. MAJOR, Attorney General of the State of Missouri; John A. Knott, H. R. Oglesby, and Frank A. Wightman, Railroad and Warehouse Commissioners; Joseph M. Patterson, Charles E. Moss and George Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

To Joseph M. Patterson, Charles E. Moss, George Dodd, and George Holmes and E. E. Axline, as Successors, Respectively, to said Charles E. Moss and George Dodd, in the Offices of Judges of the County Court of said Jackson County; Arthur C. Warner and Overton T. Gentry, Jr., as Successor to said Arthur C. Warner in the Office of Treasurer of said Jackson County; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta:

Each of you is hereby invited to join with the undersigned in a petition for an appeal in the above entitled cause to the Supreme Court of the United States to reverse the decree in the above entitled cause, rendered on the 8th day of March, 1909, as amended

by the decree herein entered on the 17th day of April, 1909,
9978 or you will be deemed to have acquiesced in said decree as amended, and we shall present said petition for an appeal and prosecute said appeal without joining you as a party.

Said petition for an appeal will be presented to the said Circuit Court for allowance, at the court room of said court in Kansas City, Jackson County, Missouri, on Friday, the 23rd day of July, 1909, at 10 o'clock A. M., or as soon thereafter as said petition can be heard.

ELLIOTT W. MAJOR,
Attorney General of the State of Missouri,
JOHN A. KNOTT,
H. R. OGLESBY,
FRANK A. WIGHTMAN,
Railroad and Warehouse Commissioners, Defendants,
By ELLIOTT W. MAJOR,
Att'y Gen'l,
SANFORD B. LADD,
F. W. LEHMANN,
Counsel for Said Defendants.

Service of the above is accepted this 7th day of July, 1909, and we, the undersigned, severally decline to join in said petition for an appeal.

W. F. DAVIS.
T. F. VAN NATTA.
VINTON PIKE.

STATE OF MISSOURI,
County of Buchanan, ss:

Be it remembered that on this 7th day of July, A. D. 1909, before me, the undersigned, a notary public within and for the said County and State personally appeared William F. Davis, Vinton Pike and Thomas F. Van Natta, to me known to be the persons described in and who executed the foregoing acceptance of
9979 service and declination, and acknowledged that they executed the same as their free act and deed.

My commission as notary public will expire on the 20th day of June, 1912.

In Testimony Whereof, I have hereunto set my hand and affixed my notarial seal, the day and year in this certificate first aforesaid.

[SEAL.] CHARLES L. FAUST,
Notary Public.

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY, and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss, and George Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike, and Thomas F. Van Natta, Defendants.

To Joseph M. Patterson, Charles E. Moss, George Dodd, and George Holmes and E. E. Axline, as Successors, Respectively, to said Charles E. Moss and George Dodd, in the Offices of Judges of the County Court of said Jackson County; Arthur C. Warner, and Overton T. Gentry, Jr., as Successor to said Arthur C. Warner in the Office of Treasurer of said Jackson County; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike, and Thomas
9980 F. Van Natta:

You are hereby invited to join with the undersigned in a petition for an appeal in the above entitled cause to the Supreme Court of the United States to reverse the decree in the above entitled cause, rendered on the 8th day of March, 1909, as amended by the decree herein entered on the 17th day of April, 1909, or you will be deemed to have acquiesced in said decree as amended, and we shall present said petition for an appeal and prosecute said appeal without joining you as a party.

Said petition for an appeal will be presented to the said Circuit Court for allowance, at the court room of said court in Kansas City, Jackson, County, Missouri, on Friday, the 23rd day of July, 1909, at 10 o'clock A. M., or as soon thereafter as said petition can be heard.

ELLIOTT W. MAJOR,
Attorney General of the State of Missouri,
JOHN A. KNOTT,
H. R. OGLESBY,
FRANK A. WIGHTMAN,
Railroad and Warehouse Commissioners, Defendants,
By ELLIOTT W. MAJOR,
Att'y Gen'l,
SANFORD B. LADD,
F. W. LEHMANN,
Counsel for Said Defendants.

Service of the above is accepted this 15th day of July, 1909, and I, the undersigned, decline to join in said petition for an appeal.

CHARLES M. DAILY.

STATE OF MISSOURI,
County of Andrew, ss:

Be it remembered that on this 15th day of July, 1909, before me, the undersigned, a notary public within and for the said
9981 County and State, personally appeared Charles M. Daily, to me known to be the person described in and who executed the foregoing acceptance of service and declination, and acknowledged that he executed the same as his free act and deed.

My commission as notary public will expire on the 10th day of April, 1912.

In testimony whereof, I have hereunto set my hand and affixed my notarial seal the day and year in this certificate first aforesaid.

[SEAL.] JULIUS A. SANDERS,
Notary Public.

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON and QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

To Joseph M. Patterson, Charles E. Moss, George Dodd and George Holmes and E. E. Axline, as Successors, respectively to said Charles E. Moss and George Dodd in the Offices of Judges of the County Court of said Jackson County; Arthur C. Warner, and Overton T. Gentry, Jr., as successor to said Arthur
9982 C. Warner in the office of Treasurer of said Jackson County; Charles M. Daily, William F. Davis, James R. Robb, Vinton Pike and Thomas F. Van Natta:

You are hereby invited to join with the undersigned in a petition for an appeal in the above entitled cause to the Supreme Court of the United States to reverse the decree in the above entitled cause, rendered on the 8th day of March, 1909, as amended by the decree herein entered on the 17th day of April, 1909, or you will be deemed to have acquiesced in said decree as amended, and we shall present said petition for an appeal and prosecute said appeal without joining you as a party.

Said petition for an appeal will be presented to the said Circuit Court for allowance, at the court room of said court in Kansas City, Jackson County, Missouri, on Friday, the 23rd day of July, 1909, at 10 o'clock A. M., or as soon thereafter as said petition can be heard.

ELLIOTT W. MAJOR,
Attorney General of the State of Missouri.
JOHN A. KNOTT.
H. R. OGLESBY,
FRANK A. WIGHTMAN,
Railroad and Warehouse Commissioners, Defendants,
By ELLIOTT W. MAJOR,
Att'y Gen'l.
SANFORD B. LADD,
F. W. LEHMANN,
Counsel for said Defendants.

Service of the above is accepted this 7th day of July, 1909,
9983 and I, the undersigned, decline to join in said petition for an appeal.

JAMES F. ROBB.

STATE OF MISSOURI,
County of Clay, ss:

Be it remembered that on this 7th day of July, 1909, before me, the undersigned, a notary public within and for the said County and State personally appeared James F. Robb, to me known to be the person described in and who executed the foregoing acceptance of service and declination, and acknowledged that he executed the same as his free act and deed.

My commission as notary public will expire on the 10th day of August, A. D. 1912.

In testimony whereof I have hereunto set my hand and affixed my notarial seal, at my office, in Liberty, Missouri, the day and year in this certificate first aforesaid.

[SEAL.] JAMES S. SIMRALL,
Notary Public.

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON and QUINCY RAILROAD COMPANY, Complainants,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

9984 To Joseph M. Patterson, Charles E. Moss, George Dodd and George Holmes, and E. E. Axline, as Successors, respectively, to said Charles E. Moss and George Dodd, in the offices of Judges of the County Court of said Jackson County; Arthur C. Warner and Overton H. Gentry, Jr., as Successor to said Arthur C. Warner in the office of Treasurer of said Jackson County; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta:

Each of you is hereby invited to join with the undersigned in a petition for an appeal in the above entitled cause to the Supreme Court of the United States, to reverse the decree in the above entitled cause, rendered on the 8th day of March, 1909, as amended by the decree herein entered on the 17th day of April, 1909, or you will be deemed to have acquiesced in said decree as amended, and we shall present said petition for an appeal and prosecute said appeal without joining you as a party.

Said petition for an appeal will be presented to the said Circuit Court for allowance, at the court room of said court, in Kansas City, Jackson County, Missouri, on Friday, the 23rd day of July, 1909, at 10 o'clock A. M., or as soon thereafter as said petition can be heard.

ELLIOTT W. MAJOR,
Attorney General of the State of Missouri.
JOHN A. KNOTT,
H. R. OGLESBY,
FRANK A. WIGHTMAN,
Railroad and Warehouse Commissioners, Defendants,
By ELLIOTT W. MAJOR,
Att'y Gen'l.
SANFORD B. LADD,
F. W. LEHMANN,
Counsel for said Defendants.

9985 Service of the above is accepted this 8th day of July, 1909, and we, the undersigned, severally decline to join in said petition for an appeal.

E. E. AXLINE.
GEO. HOLMES.
O. H. GENTRY, JR.
ARTHUR C. WARNER.
CHARLES E. MOSS.
GEO. J. DODD.

STATE OF MISSOURI,
County of Jackson, ss:

Be it remembered that on the 7th day of July, A. D. 1909, before me, the undersigned, a notary public within and for said County and State, personally appeared E. E. Axline, George Holmes, O. H. Gentry, Jr., Arthur C. Warner and Charles E. Moss, and on the 8th day of July, A. D. 1909, before me the said undersigned, personally appeared George J. Dodd, to me known to be the persons described in and who executed the foregoing acceptance of service and declination, and acknowledged that they executed the same as their free act and deed.

My commission as notary public will expire on the 18th day of September, 1910.

In testimony whereof, I have hereunto set my hand and affixed my notarial seal this 8th day of July, A. D. 1909.

[SEAL.] CALEB S. MONROE,
Notary Public.

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN,
9986 Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

To Joseph M. Patterson, Charles E. Moss, George Dodd and George Holmes and E. E. Axline, as Successors, respectively, to said Charles E. Moss and George Dodd in the Offices of Judges of the County Court of said Jackson County; Arthur C. Warner, and Overton H. Gentry, Jr., as successor to said Arthur C. Warner in the Office of Treasurer of said Jackson County; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta:

You are hereby invited to join with the undersigned in a petition for an appeal in the above entitled cause to the Supreme Court of

the United States to reverse the decree in the above entitled cause, rendered on the 8th day of March, 1909, as amended by the decree herein entered on the 17th day of April, 1909, or you will be deemed to have acquiesced in said decree as amended, and we shall present said petition for an appeal and prosecute said appeal without joining you as a party.

Said petition for an appeal will be presented to the said Circuit Court for allowance, at the court room of said court in Kansas City, Jackson County, Missouri, on Friday, the 23rd day of July, 1909, at 10 o'clock A. M., or as soon thereafter as said petition can be heard.

ELLIOTT W. MAJOR,
Attorney General of the State of Missouri.

9987 JOHN A. KNOTT,
H. R. OGLESBY,
FRANK A. WIGHTMAN,
Railroad and Warehouse Commissioners, Defendants,
By ELLIOTT W. MAJOR,
Att'y Gen'l.
SANFORD B. LADD,
F. W. LEHMANN,
Counsel for said Defendants.

Service of the above is accepted this 14th day of July, 1909, and I, the undersigned, decline to join in said petition for an appeal.

JOSEPH M. PATTERSON.

STATE OF MICHIGAN,
County of Mackinac, ss:

Be it remembered that on this 14th day of July, 1909, before me, the undersigned, a notary public within and for the said county and State, personally appeared Joseph M. Patterson, to me known to be the person described in and who executed the foregoing acceptance of service and declination, and acknowledged that he executed the same as his free act and deed.

My commission as notary public will expire on the 21st day of October, 1911.

In testimony whereof I have hereunto set my hand and affixed my notarial seal, at my office in Mackinac Island, Mich., the day and year in this certificate first aforesaid.

[SEAL.] BENONI LACHANCE,
Notary Public.

9988 Afterwards, to wit, on the 28th day of July, 1909, the following assignment of errors was filed:

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

Assignment of Errors.

Now come John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri, defendants in the above entitled cause, and aver that in the record and proceedings and decree in the above entitled cause, there is manifest error, in this:

1. The court erred in adjudging and decreeing, by its amended decree, that the maximum freight rate laws of Missouri of 1905 and 1907 are unreasonable and confiscatory and do not afford the complainant any fair or reasonable return upon the value of its property, and that to comply therewith would take the property of complainant without due process of law; because the evidence shows that said laws are reasonable and compensatory, and that they do afford the complainant a fair and reasonable return upon the value of its property; and upon the evidence in the case, the complainant's bill and its amended and supplemental bill, in so far as they
9989 sought for any relief against, or brought into question the validity of said maximum freight rate laws, should have been dismissed.

2. The court erred in its amended decree in thereby adjudging and decreeing that the defendant, Elliott W. Major, Attorney General of the State of Missouri, be enjoined from enforcing or attempting, directly or indirectly, by suit or in any other manner whatsoever, to enforce against the complainant, its officers, agents, employés or servants, any of the provisions of or penalties provided for in the acts of the Legislature of the State of Missouri, mentioned in said decree, and approved, respectively, April 14, 1905, April 15, 1905, and two approved March 19, 1907.

3. The court erred in its amended decree in thereby adjudging and decreeing that the defendants, John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad Commissioners of the State of Missouri, be enjoined from enforcing, or attempting, directly or indirectly, by suit or in any other manner whatsoever, to enforce against

the complainant, its officers, agents, employés or servants, any of the provisions of or penalties provided for in the acts of the Legislature of the State of Missouri, mentioned in said decree, and approved, respectively, April 14, 1905, April 15, 1905, and two approved March 19, 1907.

4. The court erred in decreeing that the maximum freight rate laws of 1905 and 1907 are unreasonable and confiscatory, do not afford the complainant any fair or reasonable return upon the value of its property, and that to comply therewith would take the property of complainant without due process of law; because the evidence in the case is not sufficient to overcome the presumption in favor of the validity of those laws and the evidence does not establish clearly and beyond all doubt their invalidity.

5 The court erred in decreeing that the freight rate laws of 1905 and 1907 were confiscatory and therefore deprived the complainant of its property without due process of law, because the burden of proof upon that issue was upon the complainant, and that burden was not sustained. The exact gross revenue from intrastate
9990 business for any given period was easy of ascertainment. The ascertainment of the expense of earning that revenue was difficult by reason of the fact that interstate and intrastate freight were transported in the same trains and often in the same cars. It was in the power of the complainant, at any time during the litigation, to have determined, by actual observation and investigation for a period which should be typical, the volume of freight, both intrastate and interstate, carried on each of its trains within the State of Missouri during such period, the revenue from each class of freight and also, quite closely, the expense of moving each of said trains within the State, and to have exhibited to the court the result of such observation and investigation. The court would thus have been enabled to determine approximately how much of the total expense of moving said trains should be assigned to the intrastate and interstate freight, respectively, contained in them.

No evidence of this character was adduced, no tests of this kind made. Upon this question the court was left to reach a conclusion upon the opinions of witnesses. No decree should have been rendered for complainant until this evidence of actual facts of vital importance, which was at its command, had been adduced to the court.

6. The court erred in adjudging and decreeing in its amended final decree herein that the maximum freight rate laws of Missouri, of 1905 and 1907, were unreasonable and confiscatory, and did not afford the complainant any fair or reasonable return upon the value of its property, and that to comply therewith would take the property of complainant without due process of law; and that none of the provisions thereof should or can be rightfully enforced against the complainant, its officers, agents, or employés:

Because it appears from the evidence that a very large part of the intrastate freight transported by the complainant is not governed as to the rates to be charged therefor by the Acts of 1905 and the Acts of 1907, but that the maximum rates for the transportation

thereof are fixed by the State Board of Railroad and Ware-
9991 house Commissioners, by authority of law, conferring upon them that power. It further appears from the evidence, that the complainant has not been charging for the transportation of such freight the rates so fixed by the State Board of Railroad and Warehouse Commissioners, but rates less than those so fixed. But the complainant failed to show and made no effort to show what its revenue from the intrastate freight business would have been had it charged the rates allowed by the State Board of Railroad and Warehouse Commissioners for such portion of the freight carried by it, as was not governed by the Acts of 1905 and 1907; and therefore there is no evidence in the case that if the complainant had charged such rates and had also complied with the Acts of 1905 and 1907 it would not have received a revenue from its intrastate freight business which would have afforded it a fair, adequate and just return for doing such business. If it had charged what it might, according to the law of the State, have charged for the transportation of such freight, its receipts for doing its entire intrastate freight business might, for any evidence which appears in the case, have been sufficient to afford it all the net profit to which it was entitled.

7. The court erred in adjudging and decreeing in the amended final decree that the maximum freight rate laws of Missouri of 1905 and 1907 are unreasonable and confiscatory and do not afford the complainant any fair or reasonable return upon the value of its property, and that to comply therewith would take the property of complainant without due process of law, because the said Acts of 1905 took effect on the 16th day of June, 1905, and the original bill herein, alleging the unconstitutionality of said Acts of 1905, and seeking to enjoin their enforcement was filed by the complainant on said 16th day of June, 1905, and on the same day a restraining order was issued herein, enjoining the defendants the Railroad and Warehouse Commissioners, "from taking or making out or printing or delivering any schedule of rates for complainant, containing the maximum rates fixed by said Acts." And on the 12th
9992 day of July, 1905, the court continued said restraining order as a temporary injunction which was in force as against said defendants from said date until the final decree was entered. Therefore, at the time of the filing of said bill and the issue of said restraining order, the defendants said Railroad and Warehouse Commissioners, because the law had not yet taken effect, had enjoyed no opportunity to revise the then existing schedule of rates.

The said defendants, Railroad and Warehouse Commissioners, had authority, under the law, to fix maximum rates for the transportation of that portion of the intrastate freight for which rates were not fixed by the Acts of 1905, which said portion was very large in volume and produced to the complainant much the larger part of its entire revenue for the transportation of intrastate freight. The said Railroad and Warehouse Commissioners might, if they had not been prevented by the restraining order and temporary injunction herein, have fixed such rates for the transportation of said portion of such intrastate freight, and made schedules therefor, which schedules should also have embraced the maximum rates for the

commodities mentioned in the said Acts of 1905, as would have permitted the complainant, while observing said schedules and said Acts of 1905, to have derived from its intrastate freight business, as a whole, a gross revenue sufficient to have yielded to it a fair, just and adequate net return or profit from the doing of its said intrastate freight business. The complainant should have deferred the institution of this suit until the said Board of Railroad and Warehouse Commissioners had fixed rates and adopted schedules so low as to disable the complainant from realizing an adequate revenue upon its entire intrastate freight business.

Therefore, the action was prematurely brought; and for this reason no restraining order or temporary injunction or final decree should have been rendered as to either of said maximum freight rate Acts.

8. The court erred in adjudging and decreeing by its amended final decree that the passenger rate law of 1907, approved
9993 February 27, 1907, is unreasonable and confiscatory and does not afford the complainant any fair or reasonable return upon the value of its property, and that to comply therewith would take the property of complainant without due process of law; because, upon the evidence in the case, said passenger rate law is reasonable and compensatory and does afford the complainant a fair and reasonable return upon the value of its property; and upon the evidence in the case, the complainant's bill, and its amended and supplemental bills, in so far as they sought for any relief against or brought into question the validity of said passenger rate law of 1907, should have been dismissed.

9. The court erred in decreeing that the passenger rate law of 1907 is unreasonable and confiscatory, does not afford the complainant any fair or reasonable return upon the value of its property, and that to comply therewith would take the property of complainant without due process of law; because the evidence in the case is not sufficient to overcome the presumption in favor of the validity of the law, and the evidence does not establish clearly and beyond all doubt its invalidity.

10. The court erred in its amended decree in thereby adjudging and decreeing that the defendant, Elliott W. Major, Attorney General of the State of Missouri, be enjoined from enforcing or attempting, directly or indirectly, by suit or in any other manner whatsoever, to enforce against the complainant, its officers, agents, employés or servants, any of the provisions of or penalties provided for in said Act of the Legislature of the State of Missouri, mentioned in said decree and approved February 27, 1907.

11. The court erred in its amended decree in thereby adjudging and decreeing that the defendants, John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad Commissioners of the State of Missouri, be enjoined from enforcing, or attempting, directly or indirectly, by suit or in any other manner whatsoever, to enforce against the complainant, its officers, agents, employés or servants, any of the provisions of or penalties provided for in said
9994 Act of the Legislature of the State of Missouri, mentioned in said decree and approved February 27, 1907.

12. The defendants, John A. Knott, H. R. Oglesby and Frank

A. Wightman, Railroad and Warehouse Commissioners, for themselves assert that the court erred in that part of its decree whereby it enjoined them from enforcing, or attempting, directly or indirectly to enforce against the complainant, its officers, agents, employés or servants, any of the provisions of or the penalties provided for in the passenger rate Act, approved February 27, 1907; because, under the laws of the State of Missouri, they have no functions of any kind to perform in relation to rates for the carriage of passengers, nor do such laws vest in them any authority, or devolve upon them any duties to be performed by them, directly or indirectly, to require or compel obedience to any laws relating to rates for the carriage of passengers.

13. The court erred in permitting the complainant, against the objection of the defendants to file herein its alleged amended and supplemental bill of complainant and the amendment thereto because the original bill was based upon the Acts of the 43rd General Assembly of the State of Missouri, approved April 14, 1905, and April 15, 1905, which fixed maximum rates for intrastate freight, and the alleged amended and supplemental bill and the amendment thereto is based upon the Acts of the 44th General Assembly of the State of Missouri, approved March 19, 1907, which repealed said Acts of 1905 and established a new maximum of rates for intrastate freight, and the Act of the 44th General Assembly of the State of Missouri, approved March 19, 1907, fixing rates for the transportation of fruit and the Act of the 44th General Assembly of the State of Missouri, approved February 27, 1907, fixing a maximum schedule of rates for passenger traffic, and the matters set forth in the said alleged amended and supplemental bill of complaint and the amendment thereto, are not germane to or supplemental of the original bill of complaint herein.

9995 14. The court erred in permitting the complainant, against the objection of defendants, to file the alleged amended and supplemental bill of complaint and the amendment thereto, so far as the same relates to the Act of the 44th General Assembly of the State of Missouri, approved February 27, 1907, fixing a maximum schedule of passenger rates, because the matters set forth in said alleged amended and supplemental bill, and the amendment thereto, relative to said Act of the 44th General Assembly of the State of Missouri, fixing a maximum schedule of passenger rates, are not germane to or supplemental of any of the matters alleged in the original bill.

15. The court erred in overruling the demurrer of the defendants to the alleged amended and supplemental bill of complaint and the amendment thereto, because the matters contained in said alleged amended and supplemental bill of complaint and the amendment thereto, are not germane to or supplemental of the original bill, and if they constitute any cause of action whatever, constitute a new, original and independent cause of action not connected with or dependent upon the original cause of action, and one that accrued, if at all, long after the original bill was filed.

16. The court erred in overruling the demurrer of defendants to the portions and paragraphs of the alleged amended and supple-

mental bill of complaint and the amendments thereto, relative to the Act of the 44th General Assembly of the State of Missouri, fixing a maximum schedule of passenger rates, because such portions and paragraphs of the alleged amended and supplemental bill of complaint and the amendment thereto, are not germane to or supplemental of the original bill of complaint, and constitute, if anything, a new and independent cause of action not connected with or dependent upon the original cause of action, and one that accrued, if at all, long after the original bill was filed.

17. The court erred in granting to the complainant the relief asked, with respect to the Act of the 44th General Assembly of the State of Missouri, fixing a maximum schedule of passenger rates,
9996 because it was not authorized to take jurisdiction of that matter upon a bill of complaint filed as an amendment or supplement of a bill based upon Acts of the 43rd General Assembly of the State of Missouri, which were confined to freight rates and had been repealed.

18. The court erred in enjoining the defendant, Elliott W. Major, Attorney General of the State of Missouri, from prosecuting the suits for injunctive relief, instituted by his predecessor in office, Herbert S. Hadley, in the State Court of Missouri, against the complainant prior to the filing of the alleged amended and supplemental bill of complaint herein.

19. The court erred in finding that the expense of doing the intrastate business over the interstate is greater for carrying freight by at least fifty per cent. By this language in the finding is meant at least fifty per cent more in proportion to revenue, while upon the weight of credible evidence in the case, the expense of doing the intrastate freight business over the interstate is not greater than thirty per cent per ton per mile.

20. The court erred in finding that the evidence shows that the cost of doing the intrastate freight business, as between intrastate and interstate, apportioned upon the revenue basis with added extra cost, brings a result which is fair, representative or just.

21. The court erred in finding that aside from the revenue basis, the evidence shows that the amount ascertained by the court in any of the cases, as the expense and extra cost of doing the intrastate freight business, is fair or justly represents the expense of doing the intrastate freight business.

The appellants assert, on the contrary, that aside from the revenue basis, there is no evidence in the case from which the result as found by the court as to the expense of doing the intrastate freight business can be reached.

22. The court erred in finding that the proper method of dividing the total expense of doing complainant's freight business
9997 in the State and assigning the proper proportion thereof to the intrastate freight business, was by the application of the revenue theory and in accordance with that theory dividing the total expense between the two classes of business in proportion to the revenue derived from each, and then to the portion thus assigned to the intrastate freight business, adding such an amount as would

represent fifty per cent greater expense in proportion to revenue for the intrastate than for the interstate business. The consequence was to burden the intrastate freight business with a portion of the total expense very largely in excess of its just proportion and a much greater share thereof than was actually incurred in doing that business.

The court should have found that the proper method of ascertaining that part of the total State freight expense justly assignable to the intrastate freight, was by determining as closely as possible, the average cost per ton mile of handling and transporting intrastate and interstate freight, respectively. The average cost per ton per mile deducted from the average revenue per ton per mile (which is easily ascertainable from the evidence) would have produced the net revenue per ton per mile derived from each class of freight. The court erred in its finding which rejected this method by the application of which the evidence in the case shows that complainant might have complied with the freight rate Acts of 1905 and 1907, and would still have derived from the doing of its intrastate business an adequate profit fully equivalent to any net return to which it is by law entitled.

23. The court erred in finding that the sum total of the extra cost of doing the intrastate freight business would not be changed if ascertained according to the ton mile theory.

On the contrary, the evidence shows clearly that if the expense of doing the intrastate freight business be ascertained by the application of the ton mile theory, that expense would be found to be very much less than the amount found by the court; so much less as to leave to the complainant a reasonable net return for doing the business.

9998 24. The court erred in finding that the revenue basis is the proper method of ascertaining the expense of the intrastate passenger traffic. In adopting that method the court divided the total expense of the passenger business done in the State between the intrastate and the interstate business, by assigning to each class such a proportion of such total expense as the revenue from each class of business bore to the total revenue from the State passenger traffic, and then adding to the proportion thus ascertained for the intrastate, such an amount as would represent twenty-five per cent greater expense in proportion to revenue for the intrastate than for the interstate business. The result of the application of this method was to charge the intrastate business with a much larger share of the total expense than was actually incurred in doing that business.

The true method is to ascertain the average revenue and expense of carrying a passenger one mile, in each class of business, and the difference would be the net revenue or deficit on each passenger mile.

The evidence shows that the net revenue per passenger mile is greater in the intrastate than in the interstate business, and that the net revenue from its intrastate passenger business, if charged for at the rates fixed by the Act of February 27, 1907, affords to the complainant a reasonable and adequate return for doing the business.

25. The court erred in finding that the expense of doing the

State passenger business over the interstate is at least twenty-five per cent; this language meaning twenty-five per cent more in proportion to revenue. The evidence in the case does not support this finding.

26. The court erred in adopting the tables of earnings and expenses of the complainant, set forth in the finding of facts, because the said tables of expenses and of earnings did not cover any fairly representative period of operations of the complainant, and because said tables of expenses and earnings are not supported
9999 by any competent evidence in the case.

27. The court erred in finding that the short line between two competitive points, necessarily fixes the rate. If the rate is thus fixed it is because the complainant and the other railroad companies of the State have agreed with each other that it shall be so fixed.

28. The court erred in finding that it was conceded by the experts that the companies accurately and honestly kept their books, showing the facts set out in the findings of the court. The books of the companies did not show the facts set out in said findings, nor did the experts for the State concede that they did.

29. The court erred in finding (as stated in the opinion) that evidence in the case tended to show that a large number of men have been discharged from the service of the railroad companies by reason of the reduction of the rates. Not a reduction in rates, but a general depression in business and the want of business to keep the men employed, was the cause of their discharge.

30. The court erred in finding that the value of the complainant's franchise, included in the total valuation of its property as fixed by the State Board of Equalization, was so small a per cent of such total valuation as to make no appreciable difference in the result of the case.

On the contrary, the evidence shows that the value of the franchise was a substantial part of such total valuation.

31. The court erred in finding that if the value of complainant's franchise were altogether omitted from the value of its property, it could not have obtained from the operation of its property, or from the doing of the intrastate freight business, the return to which it is entitled.

32. The court erred in finding that the complainant was entitled to a return upon the value of its franchise.

Wherefore, these defendants pray that the said amended final decree be reversed, and that said court may be directed to enter a decree dismissing the complainant's bill, its amended and
10000 supplemental bill, and the amendment thereto.

ELLIOTT W. MAJOR,
Attorney General.
FREDERICK W. LEHMANN,
SANFORD B. LADD,
Solicitors for Defendants, John A. Knott, H. R. Oglesby, and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri.

10001 Afterwards, to-wit, on the 28th day of July, 1909, the following petition for appeal was filed:

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

The above named defendants, John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri, conceiving themselves aggrieved by the decree rendered and entered on the 8th day of March, A. D. 1909, as amended by the decree rendered and entered on the 17th day of April, A. D. 1909, in the above entitled cause, do hereby appeal from said decree to the Supreme Court of the United States for the reasons specified in the assignment of errors which is filed herewith, and pray that this appeal may be allowed and that a transcript of the record, proceedings and papers upon which said decree was made, duly authenticated, may be sent to the Supreme Court of the United States.

And said defendants further show to the court that they have, in writing, notified the other defendants in said cause, towit, Joseph M. Patterson, Charles E. Moss, George J. Dodd and George Holmes and E. E. Axline, as successors, respectively, to said Charles
10002 E. Moss and George J. Dodd, in the offices of Judges of the County Court, of said Jackson County, Arthur C. Warner and Overton H. Gentry, Jr., as successors to said Arthur C. Warner in the office of Treasurer of said Jackson County, Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, of their intention to present this petition for an appeal, and have, in writing, invited said other defendants to join with them in such petition for an appeal, and that all of said other defendants, have, in writing, accepted service of said notices and invitations, and have, also in writing, severally declined to join in said

petition for an appeal, which said notices and invitations, acceptances and declinations are now presented to the court and filed herewith.

ELLIOTT W. MAJOR,
Attorney General.
SANFORD B. LADD,
FREDERICK W. LEHMANN,
Counsel for John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri.

Dated this 28th day of July, A. D. 1909.

The foregoing petition for appeal is allowed. Dated July 28th, 1909.

(Signed) SMITH McPHERSON, *Judge.*

10003 Afterwards, to-wit, on the 28th day of July, 1909, the following Bond for Appeal was filed:

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,
vs.
JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

Know all men by these presents, That we, John A. Knott, H. R. Oglesby, Frank A. Wightman and Elliott W. Major, as principals, and J. W. Perry and W. H. Seeger, as sureties, are held and firmly bound unto the Chicago, Burlington and Quincy Railroad Company in the sum of One thousand Dollars ($1,000.) to be paid unto the said Chicago, Burlington and Quincy Railroad Company, its successors or assigns; to which said payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, jointly and severally by these presents.

Sealed with our seals and dated this 28th day of July, A. D. 1909.

This obligation is upon this condition: Whereas, the above named John A. Knott, H. R. Oglesby, Frank A. Wightman and Elliott W.

Major have prosecuted their appeal to the Supreme Court of the United States to reverse the decree rendered, and entered in
10004 the above entitled cause by the Circuit Court of the United States for the Western Division of the Western District of Missouri;

Now if the above named John A. Knott, H. R. Oglesby, Frank A. Wightman and Elliott W. Major shall prosecute their said appeal to effect, and answer all costs if they shall fail to make good their plea, then this obligation to be void, otherwise to remain in full force and virtue.

JOHN A. KNOTT. [SEAL.]
H. R. OGLESBY. [SEAL.]
FRANK A. WIGHTMAN. [SEAL.]
ELLIOTT W. MAJOR. [SEAL.]
J. W. PERRY. [SEAL.]
W. H. SEEGER. [SEAL.]

The above bond is hereby approved and ordered to be filed and made a part of the record.

(Signed) SMITH McPHERSON, *Judge*.

10005 In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

Now at this day come the defendants, John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri, and present their petition for an appeal to the Supreme Court of the United States from the final decree rendered herein, and also present an assignment of errors accompanying said petition, and at the same time make it appear to the satisfaction of the court that they have, in writing, notified the other defendants in this cause, that is to say, Joseph M. Patterson, Charles E. Moss, George J. Dodd, and George Holmes and E. E. Axline, as successors, respectively, to said Charles E. Moss and George J. Dodd, in the offices of Judges of the County Court of said Jackson County, Arthur C. Warner, and Overton H. Gentry, Jr., as successor to said Arthur C. Warner in the

office of Treasurer of said Jackson County, Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, of their (the said petitioners') intention to present said petition for an appeal, and have, also in writing, invited said other defendants to join with them, the said petitioners, in said petition for an appeal, and that all of said other defendants have, in writing, accepted service of said notices and invitations, and have, also in writing, severally declined to join in said petition for an appeal, which said notices, invitations, acceptances and declinations are now, by said petitioners, presented to the court; and it is there-
10006 upon ordered by the court that said petition for an appeal, said assignment of errors, said written notices, invitations, acceptances and declinations be filed and made a part of the record in this cause, and it is further ordered that the interests of the defendants so presenting said petition for an appeal be severed in said appeal from the interests of the said other defendants herein, and upon consideration of said petition, the court now allows the same, and to the said defendants, John A. Knott, H. R. Oglesby, Frank A. Wightman and Elliott W. Major, an appeal to the Supreme Court of the United States from the final decree rendered in this cause in accordance with the prayer of said petition. And at the same time the said defendants present their bond for an appeal in the sum of One Thousand Dollars ($1,000) with J. W. Perry and W. H. Seeger as sureties thereon, which said bond is now approved by the court, and it — ordered that a certified transcript of the record, testimony, exhibits, stipulations and all proceedings herein be transmitted to the said Supreme Court of the United States.

Dated Kansas City, Missouri, July 28th, 1909.

(Signed) SMITH McPHERSON, *Judge.*

10007 The opinion filed herein on the 14th day of June, 1907 is in words and figures as follows:

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 3000.

THE WABASH RAILWAY COMPANY, Complainant,
vs.
HERBERT S. HADLEY, Attorney General of the State of Missouri, et al., Defendants.

And Seventeen Other Like Cases.

Remarks of Judge Smith McPherson, at Two O'clock P. M., June 14th, 1907.

Here are 18 cases, in which all the railways of the State ask to file supplemental bills in equity in the 18 cases, brought two years ago against the State officers to enjoin the enforcement of statutes

of 1905 fixing rates. The charge was made that the rates were not remunerative but confiscatory, and therefore void by reason of the United States Constitution. Those cases were placed at issue and referred to a master. The evidence has been taken, and the court is now advised that within a month or two the cases will be argued to the Master. So that after six months or more from now a final decree will be entered in this court. I do not speak of this delay in a spirit of complaint, or even criticism. I simply state the fact of delay. During the early part of this year the legislature of Missouri repealed part of the rate laws of 1905 complained of, enacted substitutes therefor and placed still other commodities under specific tariff rates, including passenger rates of two cents per mile.

Early in this week notices were given of an application to file supplementary bills, attacking the rates fixed in 1907, on the ground that such rates were confiscatory.

That this is a judicial question all informed people agree. That it is a question of gravity and almost supreme importance all recognize and by none more than by the courts. It involves the
10008 question of what are reasonable rates and how determined. It involves the question of whether all the receipts for State business can be taken in their entirety, and if in the aggregate remunerative of whether the laws are valid. And it involves the question as to whether every person is entitled to have his product carried at reasonable rates instead of carrying some at unreasonably low rates and others at unreasonably high rates, and allowing the law to stand because the average is remunerative. And it involves the question of whether the State of Missouri is attempting to exercise the powers solely lodged in the Congress of the United States. And there may or may not be involved the question of which is the more powerful with reference to these rates, the nation or the state.

I express no opinion as to some of these questions, or some of which I have a conviction and on others I do not even have a tentative opinion. But they are all judicial questions, and for the courts only, and in the end will be decided by the Supreme Court of the United States, a court in which every patriotic person has unbounded confidence. To that Court these questions in the end will go for decision.

As to whether these supplemental bills may be filed was set down for argument this morning at the opening of court. These rate statutes presumptively are valid, and if valid went into effect at midnight last night. Seeing the gravity of the situation, this court on yesterday, on its own motion, on inspecting the proposed supplemental bills, entered a restraining order, restraining the railways from carrying out the recent statute until the matters could be heard, as to filing the supplemental bills on which, if filed, a temporary injunction should issue. At the morning hour of this day, the Assistant Attorney General of the State appeared and stated that the Attorney General could not be here until tomorrow morning. It was also at that time made to appear that on the morning of this day suits were filed in the state courts at St. Louis and Kansas City, and a temporary mandatory injunction had been issued by the

state courts, commanding the railways to recognize as valid and carry out the statute of 1907.

10009 All courts, state and federal, recognize the delicacy of real or seeming conflicts between the courts. All courts recognize that all other courts act in good faith. And this court appreciates the situation. It is a question worthy of argument and deliberation.

When the foregoing situation was disclosed this morning counsel for the railways moved for a continuance for a week or ten days, to the end that the situation might be looked into. This motion will be overruled, and all these matters are set down for hearing at two o'clock to-morrow afternoon. These delays cannot be allowed. The interests of the public and the railways alike demand the speedy determination of all questions connected with the foregoing statements as well as all questions connected with the validity or invalidity of the rate statute recently enacted by the state legislature of Missouri. At the time named I shall expect counsel on both sides to be ready to proceed in argument, as well as to move for such other proceedings as may be deemed proper. All of which is so ordered.

10010 The opinion filed herein on the 17th day of June 1907 is in the words and figures following:

In the Circuit Court of the United States, Western District of Missouri, at Kansas City.

THE WABASH RAILWAY COMPANY
vs.
HERBERT S. HADLEY, Attorney General, and the State Railroad Commissioners.

And Seventeen Like Cases.

Remarks of Judge Smith McPherson, Monday, June 17, 1907.

These cases were argued on Saturday and taken under advisement until this time. The situation is such that I must decide the questions today. Limited as the time has been, I have an abiding conviction of what should be done even if the reasons therefor may not be stated with the fullness that the importance of the matters requires. I have been much aided by the arguments, which were strong, eloquent and powerful, by counsel representing both sides, and as it seems to me, every phase of the questions was so illuminated by the arguments that all possible questions are at an end of debate.

The real question here is, has this court jurisdiction over the passenger fare law of 1907 of the Missouri Legislature by which it is declared that the legal fare be two cents per mile. A question connected with that is, whether the bills tendered are supplemental bills to those filed in the eighteen cases two years ago to enjoin the enforcement of the freight tariff law of 1905 now pending before the Master.

A supplemental bill usually is where there has been some change in the rights or status of the parties which must be carried forward by a supplemental bill. And usually when a supplemental bill is thus allowed, matters can be brought in which could have been covered by an amendment to the original bill. These discussions as to supplemental bills, as well as to other bills, are exceedingly technical. It seems to me that the test is not so much in the way a pleading is styled, as what the allegations of the pleading are. Formerly, discussions as to various bills in equity gave rise to
10011 great delay, the results being that years and years would elapse before a chancery case could be concluded. Looking back at those old discussions, it now seems to have been a folly to thus waste the time and energies of the judges and of counsel in determining these technical questions. Such must have been the belief of the Supreme Court when a code of Rules in Equity were established, the purpose no doubt being to get rid of the old technicalities which served no useful purpose. By the adoption of the Rules in Equity, we have a system of fact pleading, covering almost every phase of equity pleading and practice; and it is only when some question of practice is not covered by the rules, that we go back to see what the practice of the High Court of Chancery in England was, and then not as positive rules, but as furnishing just analogies. Rule 90 thus providing was adopted in the year 1842, and the Supreme Court has decided that when we go to the English Chancery practice, we must take the practice as it existed in England in 1842, when this rule was adopted. By Rule 57 it will be seen that the supplemental bill is allowed when any material event has happened after the filing of the original bill. In 1905 the Legislature of Missouri enacted a maximum freight tariff statute as to several commodities. The railways contested the validity of that statute in the eighteen actions above referred to, and these actions are still pending. By the act of 1907 the Legislature declared that all railways should charge but two cents per mile per passenger. It seems to me that this is an event happening since the institution of the original suits, and an event that is germane to the original controverted questions.

But I do not deem it of much importance to determine whether the pleadings tendered for filing are supplemental bills, or whether they are original bills.

On Tuesday, the 11th inst., the complainants gave notice of filing these bills on Friday, the 14th inst. On Thursday, the 13th inst., the railway companies asked leave to file them. Solely out of courtesy to the Attorney General, who was not then present, this was refused, but the Court on its own motion issued restraining orders to keep the matters in status quo. At the time fixed, Friday
10012 the 14th inst., the matter was again delayed for a day at the request of the Attorney General, he still being absent. And on that day bills were filed in the state courts at Saint Louis and Kansas City, the purpose being, as it is said, to bring about the enforcement of this statute in question. And the argument now is, that as these cases were filed in the state courts, on Friday the 14th inst., the day before the arguments were had in this court, that the

same subject matter was pending in the state courts, and that the state courts would take jurisdiction to the exclusion of this court, the cases being there first pending. But the above statement of facts shows that the cases were pending in this court from Tuesday the 11th inst. and that orders were made on Thursday the 13th inst., the day before the cases were lodged in the state courts. If these matters could not be covered by supplemental, they could be covered by original bills, and they were presented prior to the institution of the cases in the state courts. It is not material whether these supplemental bills so-called are full and complete as original bills. Defects could be cured upon exceptions or demurrers, or by complainants on their own motion before the filing of an answer. Nor is it material whether these pleadings are filed in the original cases or separately docketed; because if separately docketed, they will at once for trial purposes be consolidated with the old cases pursuant to Section 921 of the Revised Statutes. And whether the contention of counsel for the state officers be technically correct or not, the contention is without substantial merit as to the rights of the parties. These pleadings should be filed and regarded as having been filed on Tuesday, the 11th inst.

The fixing of rates by the Legislature is presumptively correct and the Railway Companies have the burden of proof of showing that the statute is not remunerative. That the fixing of rates is a legislative act, all agree. But that such rates must be reasonably remunerative, cannot longer be discussed. The railways are entitled to cost and a reasonable profit, and no fair-minded man disputes it. How to arrive at the cost and a reasonable profit, is a most difficult problem. But if the statute is challenged, it must be ascertained, and this ascertainment can only be by judicial
10013 proceedings, and must be determined by the courts, and ultimately by the Supreme Court of the United States. No skill of the draughtsman by the use of words and phrasing can take this question from the courts. It can never be settled in a criminal case by arresting ticket agents and conductors. The Supreme Court in the end must have the evidence with the right to make the ultimate findings of fact. There is but one orderly and seemly way, and that is in equity with the right of appeal to the Supreme Court, as has been said by that court over and over again. All contentions that the courts of the state can decide these questions as well as can the United States Courts, is not a question for argument, because it is a question of jurisdiction, and in my judgment, in these cases this court has jurisdiction, and having jurisdiction, the jurisdiction should be exercised.

There seems to be much feeling in the minds of many as to where these cases should be adjudicated, but why the feeling I do not understand. And yet I recall the historical facts that at various times since the organization of this government, the feeling has run high as to whether the federal or state courts should adjudicate matters of importance to the public. No one doubts that the states have a right to manage their own local affairs, and to have matters growing out of their own local affairs determined by their own

courts. But it is too late to seriously complain because the United States Courts take and exercise jurisdiction under the constitutional provision providing for the courts, and the enactments thereunder. The United States Courts, regardless of the citizenship of the parties, will take and exercise jurisdiction in actions of a civil nature when the provisions of the United States Constitution are invoked, as has been done in this case. The Constitution provides for this, and Congress has provided the procedure. The Commerce Clause of the United States Constitution has been invoked, as is the Fourteenth Amendment. These are national questions, and the Supreme Court will hold the scales of justice with the evidence before it, and why there should be any excitement or feeling about this, is beyond my comprehension. I do not know, and of course do not state, that the State Legislature has wronged these railways, because that
10014 is the question to be decided when deciding the merits of the case. The railways say that they are being wronged and they should have a hearing, and the hearing should be on the evidence, and that evidence carried in the record to the Supreme Court. And if upon the evidence the railways are being compelled to transact business at a loss, no one ought to doubt but that the Supreme Court will hold the statute void. If the rates fixed are remunerative, no one ought to doubt but that the statute will be upheld. It is too late to talk about the alleged wrongs of the Supreme Court declaring statutes void. That question was fought out one hundred years ago, and from the organization of the Supreme Court down to the year 1888, being the period covering the first one hundred years of the United States Supreme Court, that court held twenty United States Statutes void. During the same period that court held one hundred and eighty-one state statutes void, of which fourteen were Missouri statutes. (See Appendix to Volume 131 U. S. Reports.) How many statutes have since been declared void by that court, I have not taken the time to ascertain. Some of the statutes thus declared void were railway rate statutes enacted by the states.

These questions are of the greatest importance. There are many complications arising. Much is to be considered besides the mere rates or fares. There must be equality of rates, the treatment and charging of all alike. No rebates; no discriminations must be allowed. Safety of the public, including passengers and employés, must be considered. And as of much importance as any other question, if not the greatest of all, is the question of efficient service. Rapid and prompt delivery of freight must be had. Fast passenger trains with but few stops, for passengers going a considerable distance, are demanded. Local trains for local passengers, are required. To have such efficient service, reasonable compensation must be paid. All these questions are involved in the fixing of rates. Between the cities of Saint Louis and Saint Joseph, one line of railway is wholly within the state, while another and competing line a part of the distance is within the state of Kansas. A like situation exists between Kansas City and Saint Joseph, and another like situation exists between Kansas City and Joplin. Possibly

there are other like situations. In the case of Hanley vs.
10015 R. R., 187 U. S., the Supreme Court decided that a railway connecting two points within the state, and doing business between the two points, but with a line outside of the state a part of the distance, was engaged in interstate commerce controllable only by enactments of Congress. What about the Missouri statute fixing rates over the one line wholly within the state as against a competing line a part of the distance outside of the state? I do not intimate the conclusion, but that there is a question, can not be doubted. And if the statute is void in part, is it separable, leaving the valid parts to stand with the void parts eliminated? I simply mention these questions to show the gravity and importance of these cases without in the slightest degree intimating the conclusion, often discussed by men of great ability, but upon which as yet there has been no conclusion reached, so far as I know, by any of the courts.

It is urged with much plausibility that by reason of the case of Fitts vs. McGhee, 172 U. S., that because penalties are affixed to the Statute of 1907, that the criminal courts of the state only can take jurisdiction. I do not stop to review the various Missouri Statutes upon the subject of both passengers and freight, all of which must be considered as in *pari materia;* but it is sufficient to say that the inflicting of penalties is not the only remedy. The Attorney General and Railroad Commissioners still have much to do with the enforcement of these statutes which the railways contend are void in part. These matters were considered, and a conclusion reached adversely to the contention of the officers of Missouri, by the Supreme Court of the United States, sustaining Judge Philips when presiding in this court, and reversing the Supreme Court of Missouri. R. R. vs. Missouri R. R. Commissioners, 183 U. S. 53. As I understand in the original eighteen cases now pending in this court, the question was and is, whether all the earnings in the aggregate are remunerative. That theory being, I suppose, by reason of the case of Smythe vs. Ames, decided by the Supreme Court, and the question is still present under the General Statutes of Missouri, the Statutes of 1905, and the Statutes of 1907 in question. The time is not far distant when the question
10016 will be raised, and possibly in these very cases, as to whether the statutes can stand, if some rates are too high, if the rates within the state in the aggregate are remunerative. The question will arise whether one person can have less than reasonable rates, and another be compelled to pay more than reasonable rates. Will it be a sufficient answer to say that in the aggregate the rates are remunerative? Or is that a question only between the individual and the railway company? Upon this question I intimate no ruling, but the importance of the question can not be overestimated.

These cases will be set down for hearing. The orders heretofore made will stand except as now modified. The two cent passenger fare statute should be put in force, and kept in force for some months with the rights of the railways later on to renew their motions to enjoin the enforcement of the statute. One class of

people claim that with the two cent fare travel will so increase as to make it remunerative. Others deny this. The Wisconsin Commission but lately declared, after months of investigation, that in that state a two cent passenger fare would be confiscatory. Governor Hughes, by a recent veto message, so declared as against an enactment providing for the two cent fare in the populous state of New York. It may be that what will be reasonable rates in parts of Missouri on one line, will be unreasonable in another part of Missouri on another line. How can these questions be determined? Is it not at present all speculation and guess work? Of what value will be the testimony of an ordinary business man testifying by way of opinion? And of what value will be the testimony of railway experts giving opinion and illustrating his opinions by the use of many figures? Experience over a reasonable period of time ought to, and no doubt will, settle these questions, at least for the time being, although what may be a reasonable remuneration one year, may be unremunerative five years hence. The Supreme Court of the United States in Smythe vs. Ames, referred to, took care of that question by keeping it open with the right to open up the case from time to time as circumstances required.

Therefore the orders will be that this court retains jurisdiction of these cases regardless of whether the pleadings tendered
10017 are considered as supplemental bills or original bills, and no order will be made for some months with reference to the two cent fare statute, leaving it for the time being operative and as though in full force.

10018 The opinion filed herein June 17, A. D. 1907, is in the words and figures following, towit:

In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

THE WABASH RAILWAY COMPANY
vs.
HERBERT S. HADLEY, Attorney General, and Other State Officers;
And Seventeen Other Like Cases.

Remarks of Judge Smith McPherson, June 17th, 1907.

The real question here is, has this court jurisdiction over the passenger fare law of 1907 of the Missouri legislature declaring it unlawful to charge more than two cents per mile? A lesser question is whether the bills tendered for filing are supplemental bills to those filed in this court in the eighteen cases two years ago and now pending before Mr. Schofield, the Master.

I fully appreciate the responsibility resting upon me and the consequences to follow from the orders now to be made. If mistaken the mistakes are mine, even though I have had but part of one day since the argument to reach these conclusions. Never has a case

before me been argued with greater eloquence, logic and power than was done by counsel both for the state officers and for the eighteen railways. Every phase of the case direct and collateral has been so illuminated that all possible questions are at the end of debate. What is the supplemental bill in equity? And wherein is the importance of defining it? Usually it is where there has been some change in the rights of the parties, which must be carried forward by a supplemental bill. One hundred and more years ago judges who had but little to do except play the role of mental acrobats and seek to refine and distinguish and to display an affected learning, and to discuss most gravely "the difference betwixt
10019 the west and northwest side of a hair" most elaborately set forth their views, as to original bills and amended bills and supplemental bills, and bills of review, and bills in the nature of bills of review. The result was that a chancery case lasted for many years. More than fifty years ago the Supreme Court recognized the folly of much of this, and by a code of rules adopted the system of fact pleading and left the old chancery practice in force only when the 94 rules adopted did not meet the situation that might arise and by rule 57 defined a supplemental bill. But that is not important in my judgment. Whether this proceeding should be by original bill, or by supplemental bill is of small consequence. If by original bill, the railways had the right to file the same without notice, and the right to a restraining order without notice. If by supplemental bill the usual practice is to require notice. And in either case it is discretionary with the judge to allow a restraining order without notice until a hearing can be had on notice as to a temporary injunction. On Tuesday the 11th instant, the complainants gave notice of filing these bills on Friday the 14th instant. On Thursday they asked to file them. Solely out of courtesy to the Attorney General, who was not present this was refused; but the court on its own motion issued the restraining order, to keep the matter in statu quo. At the time fixed for the hearing the matter was again delayed for a day at the request of the Attorney General, he unavoidably being absent. During that delay the bills were filed in the State courts. For this there is no criticism. But I have stated the facts, and the statement of facts shows that these cases, as to the laws of 1907, were pending and had been pending since Tuesday the 11th instant. And these bills must be considered as filed as of that date. And whether defective as original bills is not material, because such defects can be corrected on demurrer or exceptions, or by the complainant before answer as of course. Nor is it material whether filed in the
10020 original cases or separately docketed. If separately docketed, they will at once for trial purposes be consolidated with the old cases, pursuant to Section 921 of the Revised Statutes. If the contention of counsel for the state officers be technically correct, it is without substantial merit as to the rights of the parties.

That the fixing of rates by the legislature is presumptively correct, all concede. That is is a legislative act, all agree. But that such rates must be reasonable remunerative, cannot longer be discussed. The railways are entitled to cost and a reasonable profit, and no fair minded man disputes it. How to arrive at the cost and

reasonable profit is a most difficult problem. But it must be ascertained and this ascertainment can only be by judicial proceedings, and to be determined only by the courts and ultimately by the Supreme Court of the United States. No skill of the draftsman by the use of words or phrasing can take that from the courts to the town meeting. It cannot be changed by declamation, either sophomoric or by invective. It can never be settled in a criminal case by arresting ticket agents or conductors. The Supreme Court in the end must have the evidence, with the right to make the ultimate findings of fact. No local tribunal, Federal or State, can foreclose the fact as would be done if the case goes to the Supreme Court on writ of error to the State courts, and from the State courts there is no method or review but by writ of error. There is but one orderly and seemly way, and that is in equity, with the right of appeal to the Supreme Court as has been said by that court over and over again. The argument that the courts of the State can decide as to the validity of the laws of the State as well as can the United States courts will not be argued by any Federal judge but will be conceded. Those courts are as high minded and as learned as are the Federal courts, but that is not the question. It is a question of jurisdiction. And this court
10021 has jurisdiction and will maintain its jurisdiction. Nor is this to the prejudice of anyone. As I listened on Saturday to the argument, I was carried back to the days of 1801-9. I recalled the judicial revolutions of Virginia and Pennsylvania. I recalled the case of Luther v. Borden, growing out of the Dorr rebellion. I recalled the bitterness of half a century ago between Iowa and Missouri over the State line. I recalled the recent Lives of Thomas H. Benton and Governor Morris by a distinguished author who states that at one time or another every one of the original thirteen states has tried in some form or other to destroy this government. And I recalled that in every instance, save the troubles of 1861-5, that the United States Courts have, in a dignified way, settled the disputes and law-abiding people acquiesced and the lawless element were compelled to submit.

That the States have the right to manage their own local affairs will ever be maintained. But it is too late to talk about states dictating to the Government, or to riding down its courts. This is a Nation. Its commerce will not be interfered with by any State, because for that almost alone we adopted our Constitution. The Commerce Clause will always be upheld, and the rights of the citizen, including corporations, will ever be protected in their just rights under the Fourteenth Amendment. These are National questions, and the Supreme Court will hold the scales of justice with the evidence before them. I do not know and of course do not state that the State legislature has wronged these railways. That is the case on its merits. But the railways say they are being wronged, and they must have a hearing, and a hearing on the evidence, and that evidence carried with the record to the Supreme Court. And if upon the evidence they are being compelled to transact business at a loss, no one need doubt but that the Supreme Court will nullify the statute. If the rates fixed are remunerative, the statutes will be

upheld. It is too late to talk about the alleged wrongs of
10022 the Supreme Court declaring statutes void. That was fought out one hundred years ago. Down to 1888 the period covering the first 100 years of the United States Supreme Court, that court held twenty United States statutes void. During the same period that court declared as void 181 state statutes, of which 14 were Missouri statutes. (See Appendix to Vol. 131 U. S. Rep.) How many have since been declared void I have not taken the time to ascertain. And some of the statutes thus declared void were railway rate statutes, enacted by the states. It must be remembered that in passenger and freight carrying there is much to be considered besides rates or fares. Important as any, if not the most important, is the equality of rates; the treatment and charging of all alike. No rebates; no discriminations, must be allowed. Safety of the public, including passengers, and employés, must be considered. And of as much importance as any other question is efficient service. Rapid and prompt delivery of freight must be had. Fast passenger trains, with but few stops, for passengers going a considerable distance, is demanded. Local trains for local business is required. To have these reasonable compensation must be paid. So that these questions are all involved. And in consequence such business as is between St. Louis and St. Joseph, Kansas City and St. Joseph, Kansas City and Joplin, and perhaps other points, where parts of the routes of some of the lines are out of the State, a grave question is presented, and no small question is covered whether parts of these statutes are void that the matter can be separated and the balance of the statute remain in force, because Congress, even as to those lines wholly within the state, may or may not have control of such commerce when it directly interferes with commerce passing out of and back into the state. I neither pass upon this question nor express an opinion thereon, because while such questions have frequently been discussed by the ablest of men, such questions have not yet been decided. I simply mention it as a great National question.

It is urged with much plausibility that because penalties are affixed to the statutes of 1907 that the criminal courts of the state
10023 only take jurisdiction. I do not stop to review the various Missouri statutes upon the subject of both passengers and freight, all of which must be construed as in pari materia. But it is sufficient to say that the inflicting of penalties is not the only remedy. The Attorney General and Railroad Commissioners still have much to do with the enforcement of these statutes, which the railways contend are void in part. In the original cases the question was whether all the earnings in the aggregate were remunerative. That question is still present under the statutes of 1907. Whether these laws by raising the freight rates and lowering the passenger fares are remunerative in the aggregate must be considered by the court. The State is not in effect a party, because the charge is that these officers are seeking to enforce void statutes, in more ways than by inflicting penalties.

The orders heretofore made will stand until vacated or modified. The cases will be set down for hearing as to whether a temporary injunction shall issue, and if issued what shall be the scope? Shall

they restrain the enforcement of the recent freight rate statute? Shall they restrain the enforcement of the recent two cent passenger rate statute? Tentatively, subject to argument, and subject to change of opinion, if I should hear the cases, my present view is that the two cent passenger fare statute should be put in force and kept in force for some months at least, with the right of the railways later on to renew their motions to enjoin the enforcement of the statute. One class of people claim that with a two cent fare travel will so increase as to make it remunerative. Others deny this. The Wisconsin Commission but lately declared after months of investigation that in that State a two cent fare would be confiscatory; and Gov. Hughes by a recent veto message so declared in the populous state of New York. How is this question to be determined? Is it not all speculation and guess work? Of what value will be the testimony of an ordinary business man? And of what value will be the testimony of railway experts?

10024 Such are my present views, hurriedly stated and without time to place them in the shape of a formal opinion. Nor would it be of substantial benefit to anyone to review the many authorities. They are known to the profession and to the courts. But I have stated what the law is as I understand it to be.

10025 The opinion filed herein on the 31st day of March, 1908, is in the words and figures as follows:

In the Circuit Court of the United States in the Western District of Missouri.

No. 2988.

THE SAINT LOUIS & SAN FRANCISCO RAILROAD COMPANY, Complainant,
vs.
HERBERT S. HADLEY, Attorney General, and Others, Defendants.

And Seventeen Other Like Cases, Numbered 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3004, 3005, 3006.

Frank Hagerman and others for Complainants.
Herbert S. Hadley, Attorney General;
John Kennish, Assistant Attorney General;
F. W. Lehmann and S. B. Ladd, for Defendants.

Opinion.

SMITH MCPHERSON, *Judge:*

Here are eighteen cases, brought by as many railway companies of the state, against the Attorney General, Railroad Commissioners of the State, County Judges, County Treasurer and shippers.

The purpose of the bill in each case, is to enjoin the enforcement of state railway rate statutes on the ground that the rates thus fixed

by legislative enactment, are not remunerative, but are confiscatory. The original bill of complaint in each case was filed in 1905 assailing an Act approved April 15, 1905 fixing rates. In June of that year temporary injunctions were issued. In December of that year answers were filed, and on defendants' motion the cases were referred to a Special Master before whom the cases are still pending.

That statute was enacted in lieu of certain sections of the Revised Statutes of the State.

10026 In 1907 the Legislature enacted a statute which was approved March 19, 1907. This statute after referring to the one of 1905, declared that the same

"be and hereby are repealed, and the following to be known as sections 1194, 1194*a*-1, 1194*b*-1, and 1194*c*-1 of said Revised Statutes, are enacted in lieu thereof."

Then follow four sections designated as above.

By still another statute passenger fares were fixed at two cents per mile, theretofore three cents per mile.

In June 1907 each company filed another bill, concerning which see the opinion by this Court in this case in 155 Federal Reporter 220. Since that time the cases have been pending before the Master, the delay occasioned in part at least by an awaiting of a decision of the Supreme Court in what are known as the Minnesota and North Carolina cases. This Court declined to grant a temporary injunction as to the passenger rates, but granted such writ as to the freight rates. Both statutes of 1907 provide for penalties for a violation of the enactment, and expressly recite that any liability or penalty incurred under the statute of 1905 may still be enforced. It is now claimed that the original cases are at an end because the statute of 1905 has been repealed. The Court cannot so hold. As has been noticed for the statute when repealed, there was a substitute enacted. One rate was cut out and another fixed, with the penalties under the prior statute remaining. This does not overthrow the original cases. They are rightfully pending with part of the subject matter still in existence, and a new alleged grievance in place of the old. This new grievance, if one, should be brought forward by a supplemental bill, that being the office of such a bill.

Two shippers on each road are made defendants. That it is proper to make them parties cannot be in doubt, as they have a direct interest. Whether a decree herein will be binding on *bind-*

10027 *ing on* other shippers, is a question not now for decision.

And that the County Judges and Prosecutors have to do with these laws is plain. But these matters are exceedingly technical. The real question as to parties, is as to making the Railroad Commissioners and Attorney General parties defendant. As to the right to make the Attorney General and the Commissioners parties defendant, is a question that has been argued for and against with much earnestness and by the citation of many authorities.

At common law the office of Attorney General was the highest law office of the Crown. He represented the Crown in all legal matters and was the responsible officer as to the legal duties and prerogatives, appearing in the courts of record and the House of

Lords in all matters affecting the public, to the end that justice might be done in the name of the King. The duties of that office are not less in this country, and the specific mention of many things that he must do in behalf of the public and the State are not to be regarded as exclusive in the full performance of his duties.

The Constitution and Statutes of Missouri make special mention of many things that he is required to do. He is upon a salary and cannot receive fees. He is a member of the State Board of Equalization and of Education, as well as other Boards. He prosecutes suits on official bonds. He prosecutes railroads for refusing to grant proper rates to shippers. He must appear before the Interstate Commerce Commission when residents of the state are being wronged. He asks for, and receives, the aid of additional counsel. He sees to the enforcement of the banking laws, and proceeds against express companies and railroad companies and looks after forfeitures. These and a great many other things he is specifically required to do. And the importance and dignity of his office are such, that in most instances he is relieved from making oath to papers that he
10028 is permitted or required to file. And then out of apprehension that because certain things are specifically mentioned, that the conclusion would be arrived at by construction that all other matters were excluded, Section 4943 of the Revised Statutes was adopted, requiring that officer to institute and prosecute all suits and other proceedings at law and in equity requisite or necessary to protect the rights and interests of the state and to enforce any and all rights, interests or claims of the state against any and all persons and corporations.

It would seem that from the foregoing there could be no doubt but that it is the duty of the Attorney General to enforce the statutes in question presented by these cases, if valid, not only by virtue of the duties pertaining to that office by common law, but as well by the statutes just alluded to.

But there is a further statute which counsel on both sides have overlooked. Chapter I of the Laws of 1907 by Section 61 thereof eliminates all doubt by appropriating twenty thousand dollars per year to be drawn by the Attorney General from time to time

"which said sum shall be expended under the direction of the attorney general in the prosecution or defense of suits heretofore brought, or that may hereafter be brought by or against any railroad company, wherein the validity of any act of the general assembly may become involved or contested."

It will be noticed that this appropriation of this large sum of money is made not only to the end that the attorney general may seek to maintain the validity of any statute brought in question by any case hereafter brought, but likewise covers cases heretofore brought. And in the light of that section appropriating forty thousand dollars for the biennial period of two years, to be drawn by the Attorney General and expended under his direction, leaves no room for argument that it is the duty of the Attorney General to enforce all statutes enacted by the General Assembly and see to it to
10029 the best of his ability that no court by decree or judgment holds the state enactments void.

Without scheduling the different statutes, the duties of the Commissioners are likewise plain. They are vested with authority to fix rates, and should the statutes in question be overthrown as being void, they will at once fix some other rate in their judgment valid. The question as to making the Commissioners parties defendant has been put at rest by the case of the Commissioners vs. R. R. 183 U. S. 53.

Again, as when the cases were brought, and first argued, it is urged that the state in effect is being sued in violation of the Eleventh Amendment, and the question has again been argued with force, logic and eloquence. That a determined effort has been made by the use of words, phrasing and forms within the past two years, regardless of substance, effect and meaning, by the states to deprive the United States Courts of jurisdiction vested by the Constitution and laws enacted by Congress, is known by all. The argument is to the effect that all litigation of and concerning the fairness, and validity as well, of state statutes shall be in the courts of the state whose legislation is assailed, leaving the right and the only right of carrying questions of law to the United States Supreme Court by writ of error, but likewise insisting that in cases as to the reasonableness of rates, dependent wholly upon facts, that a writ of error shall be unavailing, and that the state courts of the state whose state legislation is assailed, shall alone and finally decide the case. And that this will be so in a chancery case as well as in an action at law by the only remedy, by writ of error to a State Supreme Court, when the case depends upon questions of fact, has been held by the Supreme Court in Egan vs. Hart, 165 U. S. 188. There are others who believe that all matters both of fact and law arising under the Constitution of the United States should in the end be decided by the only court created for that purpose. So it is that a sharp conflict
10030 is presented. Almost from the beginning of our government this question at short recurrent periods has arisen, but generally concluded by the Supreme Court holding that this is a National government with a National Judiciary, and that the National Constitution is and shall forever remain the supreme law of the land, anything in the laws of any state to the contrary notwithstanding. When our government was organized, every — of the thirteen states was in debt, and some of them well nigh hopelessly so. In and out of both the National and State Conventions the arguments were for and against whether a state could be sued in a National Court. Hamilton and Marshall and Madison said it could not be done. Patrick Henry with his numerous doubts and opposition was filled with fear. Others like James Wilson and Edmund Randolph said the state would and ought to be suable by a citizen of another state for wrongs done. Near the end of Washington's first term, the famous suit of Chisholm vs. Georgia was decided, the holding being that Chisholm, a citizen of South Carolina, could recover judgment for money that the State of Georgia justly owed him.

It is said that within two days from that decision, a resolution was offered in the Senate to amend the Constitution to prevent such suits.

by declaring that the Judicial power shall not extend to any suit against a state by a citizen of another state. But that failed because it was urged that notwithstanding the decision in the Chisholm case, such jurisdiction had never extended nor existed. Thereupon new phrasing was adopted, and a new resolution was offered, reciting that "The Judicial power of the United States shall not be construed to extend to, etc." shortly ripening into the Eleventh Amendment. The only purpose of that Amendment was to prevent a state from being *sued* by its creditors, and history furnishes the proofs conclusive of the correctness of the statement. Those who are doubtful of this need only read what Chief Justice Marshall said in Cohens vs. Virginia (6 Wheaton).

10031 At common law from time immemorial, a public officer was not allowed to justify under a void law or void order, but was compelled to make restitution of the property taken or to pay damages therefor. And such has been the uniform holdings in this country, and for the reasons that a void statute or void order is utterly without effect and is wholly unavailing as a defense. Such has been and is the law of England, and such has been and is the law of this country. And why such should not be the law on the equity side of the docket by preventative remedies against threatened wrongs, is difficult to conceive.

But the Supreme Court has held in the cases of In re Ayres, 123 U. S. 443 Fitts vs. McGhee, 172 U. S. 516, and that in cases wherein the state as a state is affected, that a suit against the officers is in effect one against the state in contravention of the Eleventh Amendment. It is to be noted that both the cases above referred to would have been decided as they were decided, if taken to the Supreme Court by writ of error to a State Supreme Court, or by appeal from a Circuit Court, if the Eleventh Amendment had never been adopted. This is so because in the Ayres case a full, adequate and complete remedy at law existed, and in the case of Fitts vs. McGhee the sole purpose was to enjoin criminal proceedings. But it is now too late to object to the jurisdiction of a Circuit Court to enjoin the enforcement of a rate statute alleged to be void because confiscatory, although concededly the holdings now are that the test is not whether the state is a party to the record by name, but is the state in effect a party?

But in the case at bar the state as a state has no interest. And the state as a state is not attempting to confiscate property. It is the government of the state, first by its legislature, and then by its officers, who according to the allegations of the railways are attempting to confiscate property. Whether such acts will amount to confiscation if carried out, relate to the case on its merits. But the

10032 point to the whole matter is, that the state is not seeking to act, and no effort is made to enjoin the state, either by name or in effect. And this distinction is not metaphysical, but is a substantial distinction, clearly and unmistakably pointed out by Justice Matthews in Poindexter vs. Greenhorn, 114 U. S. 270, 290, wherein he said:

"In the discussion of such questions, the distinction between the

government of a State and the State itself is important, and should be observed. In common speech and common apprehension they are usually regarded as identical; and as ordinarily the acts of the government are the acts of the State, because within the limits of the delegation of power, the government of the state is generally confounded with the State itself, and often the former is meant when the latter is mentioned. The State itself is an ideal person, intangible, invisible, immutable. The government is an agent, and, within the Sphere of the agency, a perfect representative, but outside of that, it is a lawless usurpation. The Constitution of the State is the limit of the authority of its government, and both government and state are subject to the supremacy of the Constitution of the United States, and of the laws made in pursuance thereof. So that, while it is true in respect to the government of a State, as was said in Langford vs. United States, 101 U. S. 341, that the maxim, that the king can do no wrong, has no place in our system of government; yet, it is also true, in respect to the State itself, that whatever wrong is attempted in its name is imputable to its government, and not to the State, for it can speak and act only by law, whatever it does say and do must be lawful. That which, therefore is unlawful because made so by the supreme law, the Constitution of the United States, is not the word or deed of the State, but it is the mere wrong or trespass of these individual persons who falsely speak and act in its name."

So that it follows that the State of Missouri is not a party either by name, nor in effect. And this Court has jurisdiction both of the subject matter and of the parties, to inquire into the
10033 questions in the case and on a final hearing decree whether the rates fixed by statutes are remunerative or confiscatory.

On what basis the Master shall report, is not clear. Every person whether a passenger or shipper, is entitled to have efficient service at reasonable rates, which the company must give for such compensation. Whether such charges for every person can be fixed by a decree, is doubtful, and in any event will be attended with much difficulty. But if all earnings in the state for state business are to be taken in the aggregate, less expenses, the question is attended with difficulties, because of the matter of expense, it being difficult to apportion the expenses between the state and interstate business.

If the parties cannot agree, the Matter should be directed by a supplemental order.

These cases should be brought to a final decree, and that decree such as can be carried to the Supreme Court for final determination, and not for a reversal because of an error of the Master or the Court in determining the expenses. What would be still more to the point would be for the Master to determine the expenses from the standpoint of both the railway company and the Attorney General. And there is no valid reason why the cases should not be brought to a conclusion within the next ninety days. And if this is not done, the delay will not be chargeable to the Court.

This memorandum opinion was written many weeks since, but withheld by request, awaiting the decisions of the Supreme Court

in Minnesota and North Carolina cases. These cases were decided on the twenty-third instant, adversely to the State officers. And it is deemed unnecessary to await the opinion, which this Court has not yet seen.

Kansas City, Missouri, March 31, 1908.

10034 The opinion and finding of facts filed herein on the 8th day of March, 1909, are in the words and figures following, to wit:

In the Circuit Court of the United States, Western District of Missouri, at Kansas City.

No. 2988.

THE ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY, Complainant,
vs.
HERBERT S. HADLEY, Attorney General of the State of Missouri; Joseph P. Rice, John A. Knott, and Frank A. Wightman, Railroad Commissioners of the State of Missouri, et al., Defendants.

And Seventeen Other Like Cases, being numbered 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3006.

Mr. Frank Hagerman for each and all of said Eighteen Railroad Companies.

Mr. Herbert S. Hadley Attorney General, Mr. John Kennish, Assistant Attorney General, Mr. S. B. Ladd, and Mr. Frederick W. Lehmann, for all defendants, in all of said cases.

With Mr. Hagerman the following appeared for the railroads as designated:

Mr. W. F. Evans for St. L. & S. F. R. R. Co.
Mr. M. A. Low for C. R. I. & P. Ry. Co.
Mr. M. A. Low for St. L. K. C. & C. Ry. Co.
Mr. O. M. Spencer for C. B. & Q. R. R. Co.
Mr. J. G. Trimble for Q. O. & K. C. R. R. Co.
Mr. Gardiner Lathrop for A. T. & S. F. R. R. Co.
Mr. S. W. Moore for K. C. & S. Ry. Co.
Mr. Geo. P. B. Jackson for M. K. & T. R. R. Co.
10035 Mr. J. L. Minnis for Wabash R. R. Co.
Mr. R. A. Brown for St. J. & G. I. Ry. Co.
Mr. E. L. Scarritt for C. & A. R. R. Co.
Mr. John H. Lucas for K. C. C. & S. Ry. Co.
Mr. M. L. Clardy for Mo. Pac. R. R. Co. and St. L. I. M. & S. R. R. Co.
Mr. J. D. Hostetter for St. L. & H. Ry. Co.
Mr. S. H. West for St. L. S. W. Ry. Co.

Opinion.

SMITH MCPHERSON, *Judge:*

1. Each of the eighteen railroad companies is doing a general railroad business within the State of Missouri, all but one doing both a state and an interstate business. Under the general railroad statutes of the state, the railroads were classified under three classes, the one class being allowed to charge for passenger rates three cents per mile, and the other two classes, four cents per mile. Freights likewise were classified with certain maximum rates. The Railroad Commissioners of the state were authorized to fix and establish rates, not in excess, however, of these maximum rates fixed by statute.

In the year 1905 the Legislature of the state by statute which took effect June 16th, 1905, provided for certain maximum charges. On the day the statute took effect each of the railroad companies filed their bills of complaint herein against the Attorney General and Railroad Commissioners, asking that they be enjoined from enforcing the statute upon the ground that the rates thus fixed were not remunerative, resulting, as is alleged, in the taking of their property without compensation. A restraining order in each case was issued, and within a few days thereafter upon notice and full hearing, a temporary writ of injunction as prayed was issued. Several months thereafter the cases were referred to a Special Master to take the evidence and make his findings of fact and report the same to the Court.

In 1907 the Legislature of the state repealed the statute of 1905 and enacted a substitute therefor, which act was to take effect in June, 1907. On or about the day the statute was to take effect, each of the complainants filed its amended and supplemental bill setting forth the pendency of the actions and the action theretofore
10036 taken by the Court therein, and asking that the enforcement of the statutes, one of which fixes certain maximum freight rates, and the other, passenger rates of two cents a mile, be enjoined on the ground that such rates were not remunerative, but confiscatory, and if enforced, would be taking the property of the railroad companies without compensation. At or about the same time the state officers instituted proceedings in certain State Courts of Missouri against the railroad companies asking for an order that said two statutes of 1907 be enforced.

The Attorney General and his associates insisted that an entirely new situation was presented and insisted that the proceedings were instituted in the State Courts in advance of filing the Supplemental bills herein, and insisted that the State Courts had first acquired jurisdiction of the subject matter which would be to the exclusion of any action by this Court. The railroad companies insisted that the general subject matter was covered by the original bills of complaint and defendants' answers thereto, and that the statutes of 1907 should be carried forward by supplemental bill. It was likewise most earnestly contended that the actions in this Court were in effect against the State of Missouri in contravention of the Elev-

enth Amendment to the Constitution of the United States. But this Court after the fullest argument and consideration adjudged that this Court was not seeking to take jurisdiction against the State of Missouri as a state, and that the very office and nature of the supplemental bill as recognized from time immemorial by the equity practice required this Court to take cognizance of the supplemental bills and proceed with the litigation. (161 Fed. 419.)

In June last by agreement of parties, the Court revoked the previous order of reference to the Special Master and directed him to return to this Court the evidence he had already taken, and ordered that the case be tried upon oral testimony and such documentary evidence as the respective parties might offer. The evidence has been concluded, and the cases have been fully argued, and are now for final decree.

2. Many believe that the better and safer practice would be to confine all litigation to the State Courts wherein is involved the validity of rates to be observed by railroads and other public utilities when such rates are fixed by ordinances of a city or statutes of a state. It is insisted that this would be more deferential and more in a spirit of comity to first allow the State Courts to pass upon such questions. It is urged that the decree of a State Court could be carried to the Supreme Court of the United States for final decision.

10037 This is plausible and convincing to men who have not thoroughly considered the question. It is plausible, because such a course can be followed. But every thoughtful and patriotic man well knows and believes in the proposition that the Supreme Court of the United States should ultimately pass upon all questions arising under the Constitution of the United States. And the question whether rates thus fixed by ordinance or statute are confiscatory or remunerative, is one arising under the Constitution of the United States, and that question is wholly a question of fact, and is not longer an open question as to the law. This being so, the question cannot be passed upon by the Supreme Court of the United States on these questions of fact when there is a conflict in the testimony. Section 709 of the Revised Statutes of the United States is the only authority for taking a case from the highest court of a state to the Supreme Court of the United States, and the procedure thereby allowed is by writ of error. And the office of a writ of error is to authorize an appellate court to review questions of law and not to review questions of fact. So that when a case goes from the Supreme Court of a state to the Supreme Court of the United States, it can only go by writ of error, and the Supreme Court of the United States necessarily must take all questions of fact as being foreclosed by the State Courts. Therefore, when the case is wholly dependent on controverted questions of fact, it is utterly useless to carry the case to the United States Supreme Court from the decision of the State Courts, as an affirmance necessarily will be ordered, and the question as to whether the United States Constitution is being trampled down cannot be considered. There is no other method of reviewing the decision of the State Court by the Supreme Court of the United

States than by writ of error, and this is so in chancery cases as well as in actions at law.

State Corporation Com. of Va. v. *Atlantic Coast Line Co.*, recently decided by the Supreme Court of the U. S.
Bement v. *National Harrow Co.*, 186 U. S. 70, *83*.
Dower v. *Richards*, 151 U. S. 658, *666*.
Egan v. *Hart*, 165 U. S. 188.
Adams v. *Church*, 193 U. S. 510.
Chrisman v. *Miller*, 197 U. S. 313, *319*.

It follows that all efforts to enforce the trial of such questions in State Courts would result, if successful, in having the State Court finally determine when the National Constitution as the supreme law of the land, shall be applied. The Supreme Court of
10038 the United States is the tribunal to finally determine all questions, including those of fact, wherein the National Constitution is involved.

3. Upon their face the statutes in question are with reference only to state commerce. But it is urged that they are void because in effect they directly have to do with interstate commerce. The facts are as follows:

Between Kansas City and the Joplin mining district there are three lines of railway. The Missouri Pacific between these points is wholly within the state, and the other two, partly within and partly without the state, and therefore between the two Missouri cities of Kansas City and Joplin, are doing an interstate business under the decision of *Hanley* v. *R. R.*, (187 U. S. 617.) The same situation exists between the cities of St. Joseph and Kansas City, two of the roads being wholly within the State between the two points, and two partly within and partly without.

And between the cities of St. Joseph and St. Louis such situation is emphasized, the Burlington road being wholly within the state between the two cities, and the Missouri Pacific a part of the distance being within the State of Kansas. The facts are that when the Missouri statutes lowered the passenger rates on the roads wholly within the State between said points, the interstate roads between said points were compelled by competition to lower their rates to correspond with the state rates thus fixed by statute. By reason thereof the argument is that the Missouri statutory rates control the interstate rates between the cities named, and therefore are void as being in conflict with the Commerce Clause of the National Constitution.

During the period of railroad building, for a time the western termini were at the Mississippi River. By reason thereof, and by reason of competition on account of river transportation, the railways fixed rates from the East to that river. After a time roads were completed to the Missouri river. Rates to points on that river were fixed on rates to the Mississippi River, plus rates between the two rivers. And for thirty years or more rates have been thus fixed. And as the Missouri statutes lower the rates between the two rivers, the argument is that the statutes lower the interstate rates from the East to Missouri River points, and to points to the West.

This presents a great question, and one which is far reaching,

and in importance cannot be overstated. In the great case of *Exparte Young,* (209 U. S. 123,) decided but last year, the
10039 Supreme Court in its majority opinion in speaking of this, said: "The question is not, at any rate, frivolous." But the point was not decided. But here the question is fairly and sharply presented for decision, with no precedents directly in point.

From the days of the Confederacy to the present time there have been clashings between the National Government and the States, owing, in part to the ever changing trade and commerce, and in part to the different schools of belief as to our system of government. And the pendulum will ever move back and forth. Even those who most strongly denounce the Kentucky Resolutions, and the doctrine of nullification, are often the first to forget that they believe in not only the express but the implied powers of our government as taught by Marshall in *McCullough v. Maryland,* (4 Wheaton,) and that this government is one of the whole people. Such as thus believe are often the first to advocate and rush through in the form of state regulation, measures for their own state, regardless of the rights of the people of other states. Neither the Ohio River, nor any other boundary has been the dividing line. Many of the cases in which state statutes have been declared void by the Supreme Court are statutes requiring a license to sell imported goods; imposing a tax on bills of lading for gold carried out of the state; imposing taxes on alien passengers; imposing taxes on passengers and merchandise carried into or out of the state; taxing drummers; regulating telegrams sent to other states; taxing those who use wharves; requiring inspection of animals for slaughter; and other like statutes in principle. All such statutes have gone down by reason of the Commerce Clause, and the uniform holdings of the Supreme Court.

The Commerce Clause gives Congress the power to regulate commerce:

1. With foreign nations;
2. Among the several states;
3. With the Indian tribes.

As to the first and last no doubt Congress can not only regulate, but can prohibit. It is another proposition whether commerce can be prohibited among the states.

One of the methods resorted to for the construction of Constitutional provisions, as well as of statutes, is to ascertain the then existing evils. We find that New York and other sea coast states placed burdens on commerce from inland points to sea coast points and across such states for shipment by water. It was *burdens* on commerce that the inland localities complained of, and that
10040 such burdens should not be imposed, was the reason for adopting the Commerce Clause. If there had been no such burdens, it is likely that there would have been no Commerce Clause, and possibly no Constitution. I have searched diligently, but find no case decided by the Supreme Court declaring a State statute void that did not in some form and in some manner place a

burden on, or in some way hamper or obstruct, commerce from or to another state.

The case of *Louisville & Nashville R. R. v. Eubank,* (184 U. S. 27,) comes more nearly sustaining the proposition that the Statutes of Missouri impinge upon the Commerce Clause than any other case that I recall. There the State of Kentucky by its Constitution provided that more should not be charged for a short than a long haul. The company had rates in force from Nashville, Tennessee, to Louisville, Kentucky, which were less than was being charged from points in southern Kentucky to Louisville. This was held by the Court of Appeals of Kentucky to be in violation of the State Constitution. So that we have a case of a state law, with the decision of the State Courts read into it, providing that more shall not be charged for a short haul wholly within the state, than for a long haul partly without the state. This must be so, because the same provision of the Kentucky Constitution when applied to places all within the state was upheld by the Supreme Court, as will appear from the case of *Louisville & Nashville R. R. v. Kentucky,* 183 U. S. 503.

And the case of *Wabash, &c., R. R. v. Illinois,* 118 U. S. 557, was decided in like manner, because and for the only reason that the Supreme Court of Illinois had so ruled as to read into the statute the objectionable feature.

But the Missouri Courts have not so construed these statutes of the state. When they do so decide, then the Eubank, and Illinois cases will be the precedents to thwart such legislation as thus construed. In the meantime there is no belief that the Missouri Courts will so decide.

The case of *Hall v. De Cuir,* 95 U. S. 485, is cited by counsel for the railways. Louisiana had a statute requiring carriers to receive and carry passengers without distinction on account of race or color. The steamboat in question plied between New Orleans and Vicksburg, doing both a state and an interstate business. The vessel was duly enrolled and licensed for the coasting trade. The boat had an upper and a lower cabin, the upper for white people, and the lower for colored persons. The plaintiff De Cuir was a colored woman, and took passage at a landing in Louisiana for another landing in that state. Being refused admission to the upper cabin solely because she was colored, she was awarded damages in a State trial court, which judgment was affirmed by the State Supreme Court. The Supreme Court of the United States reversed the judgment. Two reasons were given for the reversal, the one by Justice Clifford on the ground that navigation of the Mississippi River is wholly within the control of Congress. The other opinion was by the Chief Justice, who grounded his opinion upon the proposition that with the objections of most people to associating and rooming with colored persons, that to allow a colored woman to be carried in the first cabin, even though but for a ride within the state, would drive white passengers seeking an interstate ride from the boat. Or, as I have hereinbefore stated the statute in effect placed a burden on the interstate business. After

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discussing the question, and the many and great difficulties in applying the Commerce Clause, the Chief Justice said:

"But we think it may safely be said that State legislation which "seeks to impose a direct burden upon interstate commerce, or to "interfere directly with its freedom, does encroach upon the exclu- "sive power of Congress."

The State statute in order to be declared void, must by its terms and recitals interfere directly with commerce to or from another state, or the statute by construction given it by the highest court of the state must so operate in its results. But here we have no such recitals in the statute, and it has not been so declared to mean by the Missouri Courts. And while counsel for the railways do not in terms so insist, they in effect urge that the laws of political economy, custom and convenience shall act as a substitute for Missouri statutes, and the decrees of the Missouri Supreme Court. In other words, they in effect, and I believe in language insist that the rules formulated a third of a century ago for making rates first to the one river, and then between the two rivers, and the laws of competition, shall be regarded as the equivalent of statutory law. I am mindful that it is believed by many that to not recognize these laws of trade, will impair if not destroy the great cities like St. Joseph, Kansas City and St. Louis. I am mindful of the fact that between the two rivers the distance by the Burlington is but 198 miles, with other roads 300 miles or more, and that the shorter road necessarily fixes the rates between all points on the rivers. But competition does that, and the statutes are silent. The statute may or may not be unfair. I am considering the Commerce Clause as to its bearing on statutory enactments, and am not for-
10042 getting that many valid statutes are unfair, and some even unrighteous.

I have believed heretofore that the rights and duties, powers and prerogatives of any one state are the same, neither more nor less, than those of any other state, and this is so whether we compare two or more of the original Thirteen or one of the older with one of the newer states. But in effect the argument of counsel for the railways is that this is not so. Missouri and Maine were admitted into the Union the same day by the same enactment. Maine has but its percentage of commerce into and out of the state, with no trans-state business by reason of its geographical position, and has no large city. Missouri is a central state, with large cities, one of which is third in importance as a wholesale center, and second to but few as a manufacturing place. St. Louis and Kansas City are the gateways for both commerce and passengers, surpassed only by one, or possibly two other places. These facts are of tremendous importance to those who legislate either for the state or the nation. That legislation can be harmful to these great interests, any thoughtful person can readily see. But that these facts, important as they are, can be used to give a construction to or coloring of the Commerce Clause, I do not believe. In my opinion it is much the wiser to contend for the strength and power of the nation, by insisting also upon the rights and powers of the states as was intended they

should have. For a third of a century it has been the recognized constitutional construction that the states have the power within defined limits to regulate charges by railways wholly within the state. And to now say that one state like Maine can regulate charges by a railway for transportation wholly within the state, and that Missouri cannot because flanked by two great rivers, and by a long time custom in fixing rates, is to announce a rule not heretofore recognized, and in my opinion one entirely illogical.

It may or may not be true, that it would be for the better to have all the interstate railways of the country, doing both a state and an interstate business, under one supervising authority, such as a commission, regulating both classes of business. But under the Commerce Clause can this be done?

Employers Liability cases, 207 U. S. 483.
Wabash R. R. v. *U. S.* (7th Circuit) — Fed. Rep. —.
9 Columbia Law Review 38.
U. S. v. *Colorado &c., R. R. Co.*, 157 Fed. 321 (8th Circuit).

Difficult as these problems are, they can and will be solved, and for the right. Pessimists discourage. However, their statements that everything is wrong, and will grow worse, must be heavily discounted. 10043 Because railway systems reach into many states, and are units, crossing state lines arbitrarily fixed, a hopeless condition is not thereby brought about. It is not true as some say, that each state can lower the rates to confiscation, as all know who have read the decisions to any purpose. I believe as firmly as does anyone in the power and the rights of our general government, and when clashings come as to the power of the state and the general government, let the doubts be solved in favor of the government. But as to some matters there are no doubts, and two of these are that the Constitution is the supreme law of the land, and that as to all local matters the states are in control. All should insist upon both.

4. It is contended that the statutes are void because of the excessive penalties, reliance being based on the case of *Ex parte Young*, (209 U. S. 123). Until the decisions in the Minnesota cases, (134 U. S. 418, and 467,) it was an open question whether a review of rates fixed by a legislature or a commission acting under a legislative authority, could be had by the courts. The Minnesota statute authorized a commission to fix certain rates, which rates thus fixed should be final and conclusive. The Supreme Court of the State adjudged that such rates were not merely advisory, nor *prima facie* reasonable, but conclusive, and not subject to review by the courts. (37 N. W. 782.) But the United States Supreme Court reversed that decision, and notwithstanding the strong dissenting opinion by Justice Bradley, concurred in by Judges Gray and Lamar, and Justice Miller hesitating, the question is now at rest, and the courts not only can, but must, determine the question whether such rates are reasonable.

In time the Legislature of Minnesota believed it could in another way make its determination as to rates conclusive and beyond the powers of the courts to interfere. This was attempted by

providing penalties for violations, to that which was equal for one week's business to life imprisonment for all officers and agents, and confiscation of all the railway property, if resistance by litigation was made, and such litigation failed. The decision in *Ex parte Young* followed, the Supreme Court failing to see the distinction between a statute providing that agents should become felons with life imprisonment pronounced, and all corporate property seized and confiscated, if an unsuccessful contest should be made in the courts.

The Statute of Missouri of April 15, 1905, covered by the original bills herein, fixes the only penalty for violations by allowing treble damages, and a reasonable attorney's fee. Citation of authorities need not be made to sustain such penalties. And in any event that statute has been repealed. The two cent passenger rate statute of February 27, 1907, provided for a penalty of not less than one hundred nor more than five hundred dollars. What shall be deemed a complete or separate offense is not defined. The freight rate statute of March 19, 1907, provides for no minimum penalty, but the same shall be a fine of not exceeding five thousand dollars. Imprisonment is not designated under either statute, unless by some general statute for the non-payment of the fine; while under the Minnesota statute the penalty for each offense was fixed at a fine of not more than five thousand dollars, or imprisonment in the State prison for not more than five years, or both.

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This objection to the Missouri statutes is without merit.

5. Evidence is before the Court tending to show that a large number of men have been discharged from the service of the railroad companies by reason of the reduction of rates. And this fact is urged as one element that should be considered. It is true that before interest can be paid on the bonded debts, that operating expenses, including labor, and materials, largely made up from labor, must be paid. And as of course all of these including interest must be paid before dividend checks are issued. The states should and usually do attempt to legislate in the interest of laboring men. And if the legislation under consideration is hostile to their interests, the legislature, and not the courts, have the responsibility. I agree to all that was said in argument in their behalf. I agree that in sobriety, and intelligence, and faithfulness to duty, they are surpassed by no other class of men. Their dangers are great, and the people owe them much. But if employés are reduced in number, or now or later on their compensation will be reduced, and if such results are by reason of legislation, then their remedy, if they have one, must be sought elsewhere than in the courts.

6. It is urged in argument that the reduction of rates will impair the service to the public. The charter of a railroad is an implied contract with the state. The company is given such right under such contract to perpetually operate its road. The state agrees that it shall be reasonably and sufficiently remunerated according to the business done. The company agrees to furnish reasonably efficient service. To furnish no service is a complete breach of the con-

tract. To furnish a partial service is a partial breach. What
10045 is a reasonable service, is a question of fact dependent upon the circumstances of each case.

Thus it is that the Supreme Court has held that in some instances state legislation is valid which requires through and interstate trains to stop at important towns to let off and take on passengers, state and interstate.

Mississippi v. R. R., 203 U. S. 335.
L. S. & M. S. Ry. v. Ohio, 173 U. S. 285.
Gladson v. Minnesota, 166 U. S. 427.

And in other cases such state legislation has been declared invalid.
R. R. v. Illinois, 163 U. S. 142.
R. R. v. Illinois, 177 U. S. 514.
R. R. v. South Carolina, &c., 207 U. S. 328.

All those cases turned on the facts, and the question of fact was as to the service the public should have.

Of course the service rendered and the compensation received should have a proper relation. The expenses incident to, and that can be specifically located in connection with, a particular train, are not all the expenses to be accounted for, as will hereafter be discussed. But it is true that without reasonable compensation there cannot be reasonable service. It is common information that the public in many localities is demanding increased service.

But this phase of the question is so indefinitely covered by the evidence, and is so general in the very nature of the question that no decree can be rendered herein that will cover the proposition.

7. It is urged that these statutes are void because they are not enforceable as to some of the railway companies within the state, and the claim is, that being void as to some, they are void as to all. It is conceded in argument that as to two roads, the St. Louis & Hannibal, and the Kansas City, Clinton & Springfield, the rates fixed are not compensatory. The State's experts agree to this.

Usually statutes fixing rates for railroads to observe, classify the roads according to their earning power, and fix the highest rates for those earning the least. But this was not done, except that railroads of a length not greater than forty-five miles not owned nor leased nor controlled by a trunk line, may change four cents per mile per passenger.

The sole theory upon which rates are adjudged void can only be that the rates are not compensatory, and to so decree, the Court must have the complaint of each and every road making the claim. Complainants have recognized this by their counsel in bringing as many independent actions as there are railroads complain-
ing. Whether there are any other railroads within the state
10046 than these eighteen complainants, neither the allegations of the pleadings nor the evidence show. Perhaps the Court should take judicial notice of whether there are other roads or not. Be this as it may, the Court is not advised. I assume there are no other roads within the state than these eighteen.

The record shows that two of the cases, those brought by the Rock Island, and the St. Louis, Kansas City & Colorado, have been consolidated for trial purposes, the one road having become the owner of the other since the litigation commenced. The record further shows that nine cases were tried, and that the other eight cases were to be covered by decrees the same as decrees in some of the cases tried, the particular cases being designated by the record. All this shows to my mind that complainants' counsel rightly conceived the theory upon which these bills of complaint were presented. The record shows further that before the Master, there were many attempts for position on both sides as to what cases should be tried, the Attorney General and his associates desiring that the Burlington and two other strong roads having the short lines, should be heard, and the others either continued, or that decrees in the other cases should follow the decrees in the cases of the strong roads. Counsel for the railroad companies were desirous of trying the cases brought by some of the other companies, or at least that the roads should be classified into three or four classes, but that the Court should hear only one case of each class. This emphasizes the theory that was in counsels' minds all the way through this litigation.

In one respect at least it seems to me that these statutes should be declared valid or void as the facts may warrant, as has been frequently done with reference to ordinances of cities. The ordinances of cities regulating speed both for trains and teams are declared unreasonable, and therefore not enforceable as to some parts of the city, and valid and enforceable as to other parts of the city not so densely populated. These statutes are not void upon their face. The company which alleges that they are void must make a showing that the rates, considering all the facts and circumstances, are not compensatory as to that particular road, failing in which, the statute will be enforced, and successful in which, as to that particular road the statute will not be enforced.

The case of *R. R.* v. *McKendree*, (203 U. S. 514,) is not in point, because there the question was with reference to an order of the Secretary of Agriculture which was void in part and was not
10047 separable, it not being possible to eliminate the valid from the void features.

The Cotting case, (183 U. S. 79,) was decided by reason of an entirely different principle. The statute in that case on its face shows that a company doing little business was not to be regulated, while the company doing much business was made subject to the statute. And by reason of that vice, the statute was held void. That the Cotting case is not in point, see:

St. Louis, &c., v. *Illinois*, 185 U. S. 207.

McLean v. *Arkansas*, — U. S. —, (January 4, 1909).

The Connolly case, (184 U. S. 540,) was likewise decided in part at least because the statute did not apply to all classes of persons engaged in a like business, and that the statute was not separable, the valid from the invalid.

The case of *Ju Toy*, (189 U. S. 253,) the Trade Mark cases, (100

U. S. 82,) and the recent case of *Howard* v. *R. R.*, (28 Sup. Ct. Rep. 141,) were decided by reason of this same principle, namely, as to whether the statute is separable or not.

Therefore the holding is that these statutes are not void upon their face, and cannot be declared void for the one reason that the evidence shows they are not enforceable as to two or more roads.

8. The state earnings are made known to a certainty, concerning which the experts on both sides agree. And whether in earning them the company gains a profit, or sustains a loss, is dependent upon the expense in making such earnings. Some of these expenses can be definitely specified, but others, like maintenance of way, salaries of all officers including ticket agents, handlers of freight, terminal expenses, compensation of many laborers, and other things, are all occasioned for carrying both freights and passengers, state and interstate, and miscellaneous of each. And herein is the problem how to make the apportionment.

The track mile, or train or car mile does not furnish the solution, because everyone agrees that neither of those methods will do, and no one of the experts or counsel on either side asks for such a solution. Therefore there is and can be but one of two methods adopted. Neither can be relied upon if mathematical precision is demanded. But the one more nearly correct and satisfactory, is the one to be adopted. And that is what is done in litigation concerning injuries and death; the age, earning power, loss of time, can be fixed, some with certainty. How many years the party had before him is fixed by mortality tables, wholly unreliable as to the individual, but fairly certain as to the average.

10048 In taking property under the power of eminent domain, we know the assessed value, the amount of taxes, the rents, and maintenance. Some or all these elements are put in evidence, while all other is matter of opinion, concerning which witnesses and jurors differ. And so it is in most litigation.

9. The theory to now recognize must be either the proportion of earnings, state and interstate, or ton and passenger mile.

That it costs more to carry either freight or passengers proportionately for a short than a long haul, is undoubtedly true, although all the elements are not more expensive. Local trains generally have poorer and older and cheaper cars and locomotives. But their speed is greater between stations. There are many stops. They carry proportionately much greater dead weight. They do much switching, and there are many delays. Their crews are paid more proportionately to distance and what is carried. The trains are daylight trains only. With freight the carload and number of cars are much the less, and from station to station grows less, and is largely made up of single parcels, boxes, and individual shipments from as many consignors to as many consignees, first put in one station, and at the end of the trip into another station by the company. Usually there are two terminals, comprising an enormous amount of the investments and expenses of the company. The local train is seldom loaded to the capacity of the engine, to the loss of much of the investment and expense. The clerk hire,

selling tickets, issuing bills of lading, making expense accounts, and auditing and making records, are attended with like expense for the small and the large items. Many stations would be done away with but for local business.

In nearly every instance enumerated, as to the interstate, which includes trans-state, the reverse is true, although much magnified in my opinion as to terminals, and particularly as to trans-state, because in my judgment some of the interstate business has two terminal expenses within the state. The two gateways in Missouri through the one or the other of which a large percentage of business both interstate and trans-state passes, are Kansas City and St. Louis. And at both of those places the investments are very large, and of course whether owned or rented, the expense is practically the same. But these terminals are for both. And while I believe the terminal expenses at St. Joseph, Kansas City and St. Louis as to trans-state business is minimized, I do not agree with the experts who claimed that there are none of those expenses. Their cross examination shows this to be a mistake.

10049 But from the great weight of the testimony, it can well be said that the ton mile is not reliable, and the revenue is more nearly correct, as showing that it costs more by twenty-five per cent. to carry passengers and fifty per cent. to carry freight locally than it does when interstate. Generally speaking this is undoubtedly true. There are exceptions, one of which is shown by the Burlington with its three roads from St. Joseph, the one to Villisca, Iowa, another to Creston, Iowa, and a third to Chariton, Iowa. They are all interstate roads, each with two terminals, but each operating only local and daylight trains. The Wabash illustrates this with roads across the arbitrary state line between Missouri and Iowa. And there are other illustrations, but less noticeable, in the testimony.

But all these are exceptions and the testimony establishes the rule as stated.

The Missouri Legislature has recognized the proposition in all of its rate statutes, and particularly in the statutes now assailed, that it costs more per mile for a short than a long haul.

See Act approved April 14, 1905; and the Act of April 15, 1905, covered by the original bills herein. The passenger rate statute under consideration fixes a two cent fare for all trunk lines, and four cents per mile for a road less than forty-five miles in length.

The freight rate statute under consideration, in every schedule recognizes the principle that proportionately there should be more charged for a short than a long haul. For instance, Class D allows a charge of five cents per hundred for carload lots for the first twenty-five miles, and *one-half* cent for the second and additional twenty-five miles.

And commencing with the statute of Pennsylvania of 1846 chartering the Pennsylvania road, to the present time, every statute upon the subject fixing freight rates, and many of them fixing passenger fares, recognizes this principle. So that while it is a legislative function to fix rates, we have innumerable legislative rec-

ognitions of the greater cost for weight per mile for a shorter than a longer haul, and in some instances as to passengers. And no state has so recognized this to a greater extent than has the Missouri Legislature.

And the courts passing upon the question, have invariably recognized this as being so, and that the revenue theory is the correct one as against the ton mile.

10050 This was so recognized by the Supreme Court of Pennsylvania in case of *Railroad* v. *Pennsylvania County,* 68 Atl. Rep. 677, but not discussed.

In *R. R. Co.* v. *Tomkins,* 90 Fed. 363, Judge Carland, of the South Dakota District, in passing on the statutes of that state, said:

"This Court believes that it is fair and just to first ascertain what "per cent. of the total gross earnings in any one year the total local "earnings are for that year, and having ascertained that per cent. to "take the same per cent. of the total value of the property as a fair "value upon which to fix local earnings."

The decree was reversed, and although an equity case, remanded because of a failure to make a material finding. (176 U. S. 167.) The same case under the title of *R. R. Co.* v. *Smith,* 110 Fed. 473, on final hearing resulted in a decree enjoining the rates, and the question of expenses was arrived at by the extra cost and on the revenue theory.

The case of *R. R. Co.* v. *Keyes,* 91 Fed. 77, is an opinion by District Judge Amidon, concurred in by Circuit Judge Thayer, enjoining North Dakota statutory rates. The argument of the opinion condemns the ton mile theory, and adopts the revenue theory. The criticism of the case is, that conditions in sparsely settled North Dakota are not like those in this state. But the question of which theory was the more accurate for computation, was fully covered, and the ton mile was condemned.

In re Arkansas R. R. Cases, (163 Fed. 141,) decided but a few months since by Judge Van Devanter of this Circuit, a temporary injunction was issued against the enforcement of the Arkansas statutory freight and two cent passenger rates. And in most respects the State of Arkansas with reference to rates is like that of Missouri, especially the south half of Missouri. Judge Van Devanter in discussing this question, said:

"Other standards are suggested, but the proofs indicate that "none of them is as satisfactory or accurate as is the difference in "cost in its relation to the revenue."

And the proofs, including statistics and tables and some of the same expert witnesses on each side, were the same as in the cases at bar.

The great case from Nebraska of *Smyth* v. *Ames* was heard on the Circuit by Justice Brewer on oral testimony, as the cases at bar have been heard. The entire discussion of the question by Justice Brewer in a lengthy opinion is on the extra cost and

10051 revenue theory, entirely ignoring the ton mile theory. That case resulted in the state statutory freights being enjoined by Justice Brewer, District Judge Dundy concurring.

The case was carried to the Supreme Court, (169 U. S. 467,) resulting in an affirmance of Justice Brewer's decree. The opinion of the Supreme Court by Justice Harlan is exhaustive, and the tables used by him to show the facts, and the entire argument is with reference to the extra cost and revenue theory, utterly ignoring the ton mile theory.

Recurring to the Tomkins case, (90 Fed. 363,) above alluded to, that case was reversed by the Supreme Court, (176 U. S. 167,) and the question of fact was only discussed from the revenue theory. The reversal was only because the lower court recited that it was unable to ascertain what was the actual cost of earning the local earnings for certain years. But as the lower court on the first hearing proceeded on the extra cost and revenue theory, and as that was what was discussed by the Supreme Court, and under the Mandate the case went to decree, (110 Fed. 447,) on the revenue theory, I am convinced that the Supreme Court for the guidance of trial courts has adopted the revenue theory as the one more just and equitable both to the patrons of the road and to the companies.

So that we have the Supreme Court in the two cases recognizing the revenue theory. Two Circuit Judges of this Circuit have so held. And the same holdings have been made by at least three District Judges, and the Supreme Court of Pennsylvania impliedly, although the argument in that opinion is not strengthened by reason of a statement as to the measure of proof, concerning which the minority opinions without doubt are correct.

As an argument against the revenue theory, and for the ton mile theory, no court has spoken in so far as counsel on both sides and I are advised. In some phases this is a question of fact, or logic, or argument, or opinion, partaking of all. But so many eminent courts have thus spoken, even though not a question of law, and even though the traffic in the states differ, yet such opinions tend most strongly to create an undoubted belief that the cost for carrying both passengers and freight locally is greater proportionately than for doing a long or interstate business, and that the revenue theory is the only one to apportion the cost of each business.

The Wisconsin Railroad Commission made an exhaustive and thorough investigation of these questions two years since. Evidence of both sides was heard. Experts interested, and those not interested, testified. Many months of time were given to the
10052 hearing and in reaching conclusions. A valued report was the result. The findings and conclusions were:

1. The cost of carrying local and state freight is greater than for carrying interstate freight and passengers.

2. That this extra cost must be considered, and then take the gross earnings as the basis upon which to allot expenses between the state and interstate business.

3. That less than two and one half cents per mile for local or state passengers was not remunerative in the State of Wisconsin.

10. When the statutes in question were enacted, it was believed by many that by reducing the fare, there would be much more travel. For a month or so this proved to be true. But with the novelty gone,

the testimony shows that the increase has been less than three per cent. and more nearly one per cent.

It was likewise believed by many that with the abolition of passes and other forms of free transportation, that expenses would be lessened and receipts increased. Ministers sometimes received free transportation, but generally at half rates. Many lawyers and doctors received passes under guise of retainers for services never performed. Bankers received them under the claim that it was compensation for signing bonds, and cashing Chicago and St. Louis exchange. Politicians demanded, extorted, and received them for supposed influence. Officials received them as a courtesy. Many newspaper concerns received them, from the proprietor and editor-in-chief down to the typesetter, (relatives included,) under the pretense that it was an exercise of liberty of contract, for which the newspaper published the arrival and departure of trains, with an occasional local and sometimes abbreviated plate matter. To receive them was often followed by charges of corruption; and to refuse them, by charges of demagogy. Every person conceded it to be a wrong system, and most people were advocates for its abolition, except as to the class to which he belonged. But it was abolished, and does not longer exist, and the evidence shows that as to state earnings, the passenger revenue is increased by reason thereof less than one per cent.

11. This leaves but one question for decision, and that question largely one of fact. The question is whether the traffic wholly within the State of Missouri generally referred to in the evidence as local traffic, can be carried under the freight rate statute of 1907 and the passenger fare statute of 1907 at such profit as will give a
10053 reasonable return after paying expenses upon the investment, or whether such traffic is carried at a loss or less than such reasonable profit.

Thousands of pages of testimony, taking weeks of time, have been filed. This testimony was orally presented, part to the Master, and part to the Court, accompanied with volumes of statements, reports, schedules, and tables. Every phase of every question of both debit and credit has been worked out, tabulated, and filed. These exhibits are the result of something like one year of work by the expert accountants representing both sides, as a result of their examinations of train reports, waybills, auditors' books, and of the accounts of the passenger and traffic departments of the several roads. This work required not only much time, but energy, and patience, and learning, and great skill. But each side had accountants of the highest character, and possessing all of those qualifications. The four accountants, Mr. Peabody and Mr. Johnson representing the railway companies, and Mr. Taliaferro and Mr. Hamilton representing the State, impressed me after hearing them testify and being in consultation with them for ten days after the cases were submitted, that the sole purpose of their work was to exhibit the truth, differing only as to extra cost, and that difference of extra cost largely confined to the local passenger traffic, and differing as to the theory as to how the expenses between local and interstate traffic within the state should

be divided. Aside from those two questions there is not the slightest variance between the testimony of the experts upon the two sides. During the ten days following the submission of the cases, they and the Court being alone, at the request of the Court they prepared a statement in each of the nine cases submitted, which have been ordered filed. To each of the nine statements is appended a certificate showing the time covered, and that such statement correctly shows the results of the various assumptions set forth therein, which certificates were signed by the four expert accountants. Seldom, if ever, is a Court under greater obligations to expert accountants representing the two sides, than the Court and all parties, the railroads and the public, owe these four gentlemen. Usually experts representing different sides do not agree to anything. Here experts representing the different sides agree to everything pertaining to the accounting, the differences only arising as to the basis.

The Court is likewise much indebted to counsel on both sides, who for four days argued these cases with a fairness, and wealth
10054 of learning, and eloquence seldom displayed at the bar.

And now after the fullest investigation of the record, the Court has reached the conclusion that upon this question of fact the statutory rates fixed by either and both statutes are not remunerative. And it only remains for the Court to give the reasons for such conclusion.

And in giving these reasons, clearness is added by eliminating those things so clearly established by the evidence, or so nearly conceded in matters of law as not to be debatable.

1st. The unquestioned and undoubted rule is that there is a presumption both of fact and of law in favor of the validity of every legislative enactment. The railway companies have the burden of removing this presumption, and showing that the statute clearly, or as some Courts say, palpably, and others say, beyond a reasonable doubt, that the statute is invalid. In these cases the Court has recognized this rule. The authorities upon this question form a long and unbroken line, with the single exception of the majority opinion in the Pennsylvania case decided a year ago. (68 Atl. Rep. 676.) And that one authority is not persuasive.

2nd. All testimony and argument bearing upon the question as to what consideration the Legislature of Missouri gave to these enactments, is utterly immaterial. Much was said in argument as to the message of Governor Hughes of New York two years ago in declining to approve the two cent fare statute of that state. Governor Hughes had the moral courage to veto a measure of popular favor because as he believed the question had not been fully considered. But the relations of a governor to proposed legislation, and those of a Court to legislation consummated, are entirely different.

3rd. Most of laymen and many lawyers believe that the question is whether the railway company as a system is earning sufficient revenue upon the value of the property of the system. They believe that if the Burlington, Santa Fe, Wabash, or any other railroad system is earning such money as will pay all charges and

expenses including taxes and interest, with reasonable dividends to the stockholders, that state rates for state business must stand. Of course no one believes this who has given the slightest attention to the question. That precise question was before, and was decided by, Justice Brewer, (64 Fed. Rep. 165,) and affirmed by the Supreme Court in the Nebraska case of *Smyth v. Ames,* (169 U. S. 466). The only question is as to Missouri rates, less expenses properly charged against the same. And if this balance does not leave sufficient to pay a reasonable return, the law is invalid. And
10055 if the railroad system of any company is earning more than a reasonable return by reason of interstate rates, which affect the people many times more than local rates, and if such interstate rates are too high, Congress either acting alone or through a Commission must make the corrections.

The Supreme Court during the present year in the case of *City of New York v. Consolidated Gas Company of New York* (211, U. S. —) decided that six per cent. was fair and right to be given to the owners upon the true valuation. My opinion is that while a gas plant is in some respects different from a railroad, that a railroad property, properly built, and properly managed, should over and above expenses make a return of six per cent. per annum. And considering all the evidence, the evidence fairly shows that all of these roads were properly and economically built and are being properly and economically managed, and that after paying the expenses for maintenance and operation, that there is less than six per cent. of returns, and not more than three per cent. upon any of them and as to some of them a deficit, taking the property as above stated within the State of Missouri at its fair valuation. And this is so without reference to bonds, because in no case do the bonds bear six per cent. interest. But taking the bonds into consideration, there is still not to exceed three per cent. returns, and many cases a deficit after considering all debits and credits, upon the true valution for the state business. There is no evidence that any of the existing bonds were improperly issued either as to amounts or rates of interest. In fixing the value the Court has considered the evidence of witnesses as to the stocks and bonds outstanding, and the Court has considered the evidence of the fact that the Missouri State Board for taxing purposes has valued these properties. Of course those findings are not binding nor conclusive, but they are persuasive. But independently of stocks and bonds, and independently of what the State Board has valued these properties for taxing purposes, the evidence shows the valuations to be as recited in the findings of fact herewith filed, and to which reference will be made in the decrees.

It is absolutely necessary that many trains both passenger and freight do both a local and interstate business. Even the fast trains stopping at but a few stations in the state carry state passengers between such stations. And the same is true as to freight trains carrying freight both in carload and less than carload lots.

The valuation of the roads has been fixed by the Court as shown

by the findings of fact. The entire state and interstate earn-
10056 ings of each of the roads within the state is known and fixed to a certainty. The expenses are known and fixed. To apportion these expenses, must be done according to one of the two theories, and the correct theory is that according to revenue. One theory or other must be applied to both freight and passenger expenses, and the Court should not adopt the one theory as to part, and the other theory as to another. The one theory is helpful to the one side, and the other theory helpful to the other side, the one theory to the one side in freight, and the other theory to the other side in passenger. But an arbitrary splitting of theories is illogical and unfair, and cannot be recognized. The court has adopted the revenue theory because a great number of the best railroad experts of the country, against a very limited number to the contrary have so testified. Every Court that has ever had this question before it in so far as I am advised by the briefs of counsel and my own independent investigation has so held in the cases hereinbefore cited of the Supreme Court of the United States; in the two cases, by two Circuit Judges of this Circuit; by three District Judges of this Circuit, and by the Supreme Court of Florida, *State v. Atlantic Coast Line*, (37 So. Rep. 657). And Beale & Wyman on Railroad Rates Regulation, Sec. 466, announces such as being the correct rule. The values of the property within the state have been fixed by the Court. The entire earnings within the state, interstate and state, freight, passenger, and miscellaneous of each, have been fixed. The entire expense is known, including the extra cost of each. To ascertain whether the result is a profit, and if so what per cent., or a loss, is but a problem of primary arithmetic, as is shown by Judge Van Devanter in Arkansas Rate Cases, (163 Fed. Rep. 141). There are other methods equally simple, the resultant figures of course being the same. These computations show as to the commodities covered by the freight rate statute of 1907, that two roads, the Hannibal & St. Louis, and the Burlington, allowing nothing for extra cost, there is a deficit, and with all other companies less than two per cent. But with the extra cost added, the deficit for the two companies is much greater, and the other companies show a deficit.

The passenger earnings under the two cent fare law of 1907, allowing nothing for extra cost over interstate business, give no return whatever to the Rock Island, St. Louis & Hannibal, Kansas City, Clinton & Springfield, and the Great Western. The other companies will have the following: The St. Louis & San Francisco between three and four per cent.; the Santa Fe between four and five
per cent.; The Kansas City Southern a small fraction over
10057 two per cent.; the M. K. & T. between two and three per cent.; the Burlington between three and four per cent. But all this is arrived at by allowing no extra cost of service. But to add the extra cost for freight and passenger, there are no earnings over expenses. This is confiscation under the Constitution.

It being a legislative act, and not a judicial one, this Court cannot fix rates. If it could, two and one-half cent passenger rates

would be fixed for the stronger roads, and three for the others. But that is for the legislature acting itself with experts, such as the State employed in these cases, or through a Commission with like assistance.

In view of General Equity Rules prohibiting findings of fact, and other matters from being inserted in decrees, this opinion has been extended. And to further show how the court has considered the cases, and the various questions of fact covered by the voluminous evidence, findings of fact have been made and signed, which will accompany this opinion.

Long and laborious as the work for the Court has been, I am of the opinion that the cases have been expedited by hearing the oral testimony as provided by General Equity Rule 67. It gave the Court a much better insight into the intricacies of the cases, and with a much better knowledge of the cases than could be gained by hearing exceptions to a Master's report. And I am fully compensated by the belief that I have worked out the correct conclusions, and with the knowledge that if I am in error, either as to fact or law, that the cases can be speedily heard *de novo* by the Supreme Court of the United States. Because I feel in all cases, and in these cases more than ever before, as Judge Sanborn said in *Boatmen's Bank v. Fritzlen,* (135 Fed. Rep. 650, 655,):

"Every conscientious judge, every thoughtful man, upon whom "is laid the grave responsibility and the heavy burden of deter- "mining the rights of his fellows, rejoices in the thought, wherever "such is the case, that his decision may be reviewed, and that, "if erroneous, it will not work irreparable injustice to him whom "he deems it his duty to defeat."

The decrees will be for the complainants. Each party will pay the costs by such party made, except the compensation of the Master and stenographer. The half of those will be paid by complainants, and the other half by respondents. The reservation clause usual in such cases will be in the decrees.

Kansas City, Missouri, March 8th, 1909.

10058 In the Circuit Court of the United States, Western District of Missouri, Western Division.

No. 2988. Equity.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY
vs.
HERBERT S. HADLEY et al.

And Equity Cases No. 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3006.

Findings of Fact.

Prior to the argument the Court requested counsel on both sides to submit requests for findings of fact. Complainants' counsel did this. Defendants' counsel have not done so. Complainants' requests have been considered, some of which are embodied within the following findings, and some are not.

The following are the findings of fact that the Court makes as based upon the evidence herein:

1. The complainants are the eighteen railroad companies owning and operating lines of railroad in Missouri, they doing all of the state and interstate railroad business therein, and all of them except the St. Louis & Hannibal Company having lines of railroad both within and without the state. That company is wholly within the state, extending from Hannibal, Missouri, to the south 120.61 miles. The Kansas City, Clinton & Springfield Company is a road of about 160 miles in length with 151.01 miles in the state. All the
10059 other companies have lines extending into a number of other states, one of them extending into thirteen other states and territories. These roads with their own lines and with their connecting carriers, carry all the traffic and do all the business, freight and passenger, within the state, whether of state or interstate character. The intrastate business is at all times herein referred to as state business. That part of the interstate business which neither originates within, nor has its destination within, but passes across the State of Missouri, is called trans-state business.

2. The same roadbed, locomotives, cars, and trains including all facilities, are used for both classes of business, state and interstate. It is not practicable to conduct the business in any other way. This is so both from the standpoint of the public and that of the companies. If state business were to be carried alone upon some cars and trains, and interstate alone upon others, the expenses would be enormously increased, and almost if not quite prohibitive, while the public would be subjected to delays, inconveniences, and great expense. By reason of all this the business cannot practicably be separated.

3. Both from a geographical and railway standpoint Missouri is situated differently from the other states of the Union, there only being two or three other states that have a resemblance to it in these particulars, and each of them in a lesser degree. This is so because the Mississippi is its boundary on the east all the distance. From a railroad standpoint the Missouri River is its boundary line on the west, although physically the Missouri River is only the western boundary line from the northwest corner of the state about half way to the southwest corner. But at the half way point, namely, Kansas City, the river turns directly to the east, and continues its way to the Mississippi River. In its production, business, and commerce all that part of Missouri to the north of the Missouri River is practically like the south half of Iowa, the country districts producing large quantities of live stock and grain for the market, as well as much bituminous coal. The south half of Missouri is entirely different. The amount of grain and live stock is much less than in the north half of the state. But the south half has a large amount of timber, stone, lime, lead, zinc, iron, and fruits. St. Louis on the east is a city of nearly a million people, Kansas City on the west nearly half as many, while St. Joseph has more than one hundred and twenty-five thousand people. These three cities carry on large manufacturing interests. The grain, live stock, and packing house interests at Kansas City and St. Joseph are enormous. For a third of a century or more for reasons which need not be repeated, rates from the East were fixed to the Mississippi River, and later on, from thence to the Missouri River. The interstate rates either in or out were the one plus the other. It was the same from the West. It was likewise the same for the trans-state business going in either direction. Such is the method existing to-day. This brought about the fact which for years has existed and exists to-day, that the short line of road between the two rivers fixes the freight rates. To illustrate, the Burlington road is the short line between the rivers, being 198 miles from Hannibal to St. Joseph, and the same distance, within a few miles, to Kansas City. The roads between Kansas City and St. Louis, and there are four at least of them, including the Burlington, is an average distance of nearly 300 miles, but some of the roads being fifty miles or more farther between the points than the others. This brings about the fact that all freight rates between any one point on the one river and any point on the other river are the same as the rate from Hannibal to St. Joseph over the Burlington line. That is to say, the freight rates on any road regardless of distance are the same between St. Louis and either Kansas City or St. Joseph that they are between Hannibal and St. Joseph over the Burlington line. This has given the three cities of St. Louis, Kansas City, and St. Joseph great advantages over other points. Competent persons say that to change this system will work irreparable harm to the three cities named, as well as to all other places within the state, by driving both the jobbing and manufacturing

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As to the foregoing question of rates and fares, there is no United States statute governing the same, and there is no Missouri statute upon the subject except the two statutes questioned by the bills, one dealing with certain commodities per car per distance, and the other fixing the passenger fares at two cents. Aside from these two statutes, and as to any bearing they have as to charges between the two rivers, the conditions named have been brought about
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Still further bearing on the question are the following facts: Joplin is a city in the southwestern part of the state of more than twenty-five thousand people. There are a number of towns adjacent thereto, giving that county (Jasper) a population of 200,000 people. It is a very large mining district of lead and zinc. Between Kansas City and Joplin three of complainants herein have railroads. The Missouri Pacific at all points between the said places is within the state. Each of the other two between said points is partly without the state, starting within and going out and coming back, thereby making it interstate business as to two of the roads between Kansas City and the Joplin district. Between Kansas City and St. Joseph, four roads do the business. The Missouri Pacific and Chicago Great Western is each part of the distance within the State of Kansas, while the Burlington and St. Joseph & Grand Island Company is each wholly within the State of Missouri between the two cities. Between St. Joseph and St. Louis two of complainants do practically all the business, which is very large in both passenger and freight. These are the Burlington and Missouri Pacific. Between said cities the Burlington line is wholly within the state. But the Missouri Pacific line is partly within the State of Kansas, crossing the Missouri River at Atchison and coming back into the state at Kansas City. On the foregoing facts the finding is that the short line between two competitive points necessarily fixes the rate, and the Missouri statutory rates under the statutes in question fix the rates between the cities named. But this is so solely because of the geographical location of cities and railroads, and competition, and long time custom. It is not so either because of a statute or any judicial determination by any of the Courts of Missouri.

4. Pending this litigation each of the complainant companies made and delivered to defendants statements showing the earnings and expenses for certain periods, which statements have been taken by both sides as sufficiently illustrative of the situation for the determination of these cases. The companies extended to the state officers, de-

fendants herein, acting by experts by them selected, the opportunity to examine the statements and the books, papers, vouchers, and records of the companies. The freight rate statute of 1907 as to commodities mentioned allowed greater rates than did the statute of 1905 assailed by the original bills of complaint herein, and
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5. The parties were producing evidence and preparing their evidence for about one year with the aid of experts on each side. These experts were all men of high character and great proficiency as railroad accountants. The experts on each side were given the fullest opportunity and all the time desired to obtain the information and put the same in form in exhibits, schedules and reports, all of which are in evidence in the cases, supplemented by the oral testimony of each of the experts with reference to all of these things.

6. It was conceded by the experts that the companies fairly, accurately and honestly kept their books showing the facts in these findings set forth. The experts of the state and of the companies have thereby been enabled to present with certainty and precision all the earnings within the state, both state and interstate business. But obtaining and compiling this information by the experts has been at great expense of time and money. One exception to the foregoing is to be noted as to passenger fares for a short period of time after the two cent fare law became operative. By agreement of both sides in open court in June, 1907, this Court issued a temporary writ of injunction against the enforcement of the freight rate statute. The complainants asked for a temporary injunction against the enforcement of the two cent passenger fare statute. This Court held that the statute should be given a trial for five months and ascertain the result by actual operation. In preparing the order counsel, no doubt by inadvertence, fixed three months as the period for trial as to results. But by acquiescence of both sides, or if not, by delays with which the Court was not chargeable, such status remained for more than one year, and the cases were not actually brought on for trial until in November, 1908. But after the statute became operative in June, 1907, and this Court denied the temporary writ of injunction, the interstate passenger rates remained as they were for a period of about two months. During the time that condition prevailed parties both coming into and going out of Missouri on interstate journeys would buy tickets to the state line, thereby obtaining the benefit of the two cent fare for all distance within the state. It was not possible for the companies to show the truth as to the number of such trips, and therefore it is not possible for the Court to find just how much of the earnings were on account of such interstate trips. But the extent, whatever it was, would make an erroneous showing as to state earnings, though favorable to de-
10063 fendants, because such earnings were of an interstate character. But even though for the short time a part of the

business was thus carried on so that additional earnings were erroneously placed to the credit of the state, still the results are not changed, for the error was against, and not in favor of, complainants.

Freight earnings, both state and interstate, are made up from earnings of transportation and another item called "miscellaneous freight," composed of switching, demurrage, and storage charges, and track and equipment rentals. Passenger earnings are made up of passenger fares and miscellaneous, the latter covering mail, express, excess baggage, storage, rentals, and possibly some other terminal earnings.

No difference of consequence has arisen between the parties as to the expense of doing the entire business in the state. With reasonable certainty the expenses for doing the freight and passenger, including miscellaneous of each, can be and have been separated.

The earnings are known and fixed and in these findings stated to a certainty. But as to the expenses as between state and inter-state business, there has been a controversy and such is the principal controversy in the cases. There is no known fixed or certain rule for determining how this separation of expenses shall be made. The same cannot be made with mathematical certainty. Complainants claim that the division should be made upon the revenue basis; defendants claim that it should be made upon the ton mile basis for freight, and passenger mile basis for passengers, classifying the miscellaneous earnings as and with freight and passenger earnings respectively. By the revenue basis is meant to assign such proportion of the total expense in the state on that class of business as the earnings of that class of state business bears to all the earnings state and interstate from the same class, or, which is the same thing, ascertain what the percentage of all expenses is of all earnings, then multiply that by the state earnings of any class, and thus obtain the sum to be assigned as state expense. The ton mile basis as to freight means the assignment as state freight expenses of any class of business such proportion of all state expense as the number of ton miles of state freight bears to the total ton miles of all freight hauled within the state. By the passenger mile basis is meant the assignment as state passenger expenses such proportion of all passenger expenses as the number of passengers in state business carried one mile bears
10064 to the whole number of passengers state and interstate carried one mile.

For reasons stated in an opinion herein filed, the revenue basis has been and is adopted as the only logical basis to use in arriving at a correct conclusion. The one basis or the other as a whole must be adopted. Either side can make a better showing by adopting the one basis in part of the accounting, and the other basis for the other. Neither should be and is allowed to do this. As will presently appear, the state has attempted to do this in making its passenger earnings accountings.

7. Each basis for accounting has some defects, but they are minor and not controlling and do not change the result if the revenue basis is taken.

The expense of doing the state business over interstate is greater for carrying freight by at least fifty per cent., and at least twenty-five per cent. for carrying passengers. Therefore this extra cost must be added to the expenses after they have been ascertained so as to obtain the total expense. If the ton mile basis of division were adopted, the extra cost should also be added. This would require the use of another multiplier sufficient to bring the sum total of the state freight expense equal to that found herein, to actually represent the cost as shown by the evidence. Any apportionment of passenger expense upon the passenger mile basis would be unfair and unjust, although much more favorable to the companies than if made upon the revenue basis.

8. All things considered, the evidence shows the cost of doing the different classes of state business as between state and interstate apportioned upon the revenue basis with added extra cost brings a result in these findings stated, which is fair and representative and just. The Court finds, aside from the revenue basis, that the evidence shows the amount ascertained in each case as the expense and extra cost, is fair and justly represents the expense of doing each class of state business. The extra cost as to each complainant for doing the state business over interstate is more than fifty per cent. in case of freight, and more than twenty-five per cent. in case of passenger. This extra expense as thus found is considerably in excess of these figures and the figures used are adopted as the minimum. The sum total of this extra cost if ascertained according to the ton mile theory, would not be changed because it is a question of multiplication, and one multiplier or another must be used accordingly as the theory is adopted. The
10065 findings herein made on all the evidence represent in dollars the fair cost and expense fixed at a minimum. There has also been considered and found in each case such sum as would equal the diminution of earnings upon the commodities covered by the freight rate statutes of 1905 and 1907 if the rates thus fixed had been charged, as there would have been but for the temporary injunctions herein issued.

9. The evidence shows that each of complainants has regularly paid for many years' interest on its bonds. There is no evidence to show that any of the railroad property within the State of Missouri has an undue amount of bonds or is unfairly bonded, and the evidence does not show that any of the bonds provide for interest in any sum greater than such bonds should carry. It does show that most of the bonds are at the lowest rates of interest, and much less than the legal rate allowable in Missouri. In thus referring to interest, the St. Louis & Hannibal, and Kansas City, Clinton & Springfield companies are excepted.

10. After the adoption of the two cent fare statute, there was no substantial increase in travel. For a few weeks there was a small increase largely brought about by interstate passengers buying

tickets to state lines, and in part by the novelty. What if any increase of travel occurred by reason of said two cent fare, would be a mere approximation. It has not been substantial, and there is no reason to believe that any such increase will be brought about in the future by a two cent fare.

11. The values of the railroad properties in the State of Missouri are found, in the cases tried, to be as follows:

	Miles.	Value.	Value per mile.
St. Louis & San Francisco	1688.89	$61,238,414.70	$36,259.00
Atchison, Topeka & Santa Fe	348.31	15,091,212.00	43,326 00
Chicago, Rock Island & Pacific	515.48	19,102,507.59	37,058.00
Kansas City Southern	174.48	8,039,084.40	46,075.00
St. Louis & Hannibal	120.61	1,143,077.02	9,477.00
Missouri, Kansas & Texas	506.21	20,894,229.93	41,276.00
Chicago, Burlington & Quincy	1136.34	53,172,907.83	46,793.00
Kan. City, Clinton & Springf'd	151.01	2,380,222.48	15,762.00
Chicago Great Western	84.43	3,605,236.38	42,701.00

With the exceptions hereinafter stated, the above valuations of the properties of said nine companies as fixed, are in fact practically the same as those fixed by the state assessing board for the purpose of taxation. But aside and apart from the valuations thus fixed by the state board, these findings are that upon the whole evidence said properties are at least of the values above
10066 fixed. The evidence shows that included in such sums the state board after making certain valuations under the heading of "all other property" fixed certain valuations, which when added give the totals as above. In argument it was contended that "all other property" included franchise values. This is not deemed important because it is difficult to see wherein steam railroad property like those involved, can have a franchise value. But waiving that, any franchise value that the state board could have considered, was necessarily so small a per cent. of the total valuations fixed by the state board as to make no appreciable difference in the result of these cases, because if altogether admitted the remaining value is such that no road could obtain a return to which it is herein found to be entitled. But if the property has a franchise value for taxation, it also has such valuation as an earning power or, rather, upon which returns should be made. In fixing the valuations above set forth there have been conisdered the immense terminal values of most of the roads, the amount of stock and bonds outstanding, what it would cost to duplicate the properties both with and without terminals in the large cities, and all the evidence bearing on present values, and in fixing said valuations the sums found are the minimum valuations, the properties being worth at least the sums thus fixed.

The foregoing valuations are the same as fixed by the state assessing boards except as to the property of the St. Louis & Hannibal and of the Kansas City, Clinton & Springfield in the state, which are found to be worth sixty-six and two-thirds per cent. of the valuations of the state boards.

12. The interest obligations except as already stated are just and reasonable and should be paid in full with some dividends to the stockholders in addition. However, and entirely aside from the question of interest, the rates and earnings should in any event be such as to produce a fair return upon the valuations hereinbefore fixed.

And such earnings should be on the property within the state as would be equivalent to six per centum per annum, that per cent. being a fair return upon such valuations.

13. About the same time the two cent fare statute became operative, passes and other forms of reduced and free transportation, were abolished. Since that time they have not been given nor used except in cases of employés actually employed. The passenger
10037 earnings were thereby increased, but such increase was not more than approximately one per cent.

14. After the arguments were concluded at the request of the Court, and with the consent of the parties, two experts upon each side, two selected by the railways and two by the defendants, worked with the Court for something more than one week. These experts were the same gentlemen representing their respective sides who had done much of the work in preparing the cases for the respective sides for hearing. The Court requested these experts to take the numerous tables and tabulate them already in evidence and to confine themselves wholly to that which had been introduced in evidence in the cases, and to make therefrom a new table for each of the nine cases showing the earnings and the expenses chargeable to each class of earnings according to the respective theories covered by counsel in the arguments. The Court further requested said four experts after preparing said new tables that if they agreed, to affix their signatures thereto. This they did below a certificate reciting that the statement of earnings, operating expenses, etc., as to each particular road for the time therein given, correctly shows the results on the various assumptions set forth therein. Said nine statements were by order of this Court, February 20, 1909, ordered filed and made of record in the cases. The said nine statements are now and here referred to, and are made part hereof. Each of said nine statements is found by the Court to be correct upon the respective theories presented. But the theory entitled as the "state's basis" is rejected for the reason that said statement improperly divides miscellaneous earnings, placing an undue proportion to the benefit of the state. And said basis improperly makes a division of expense upon the ton mile and passenger mile basis and does not allow a sufficient amount as extra cost of doing state business, and the same

does not allow enough for the value of the property in that it deducts all sums included "all other property" multiplied by three.

If the companies had been permitted to charge the amounts per passenger per mile which they did charge and receive prior to the two cent passenger fare statute, they would have received in addition to that which they did receive by reason of the statute and by reason of the temporary injunction being denied for earnings within the state for a period of twelve months last preceding the submission of the cases, the following sums: (Interstate, however, not controlled by statute, but by changing conditions.)

10068 Name of road.	State passengers.	Interstate passengers.
St. L. & S. F. R. R.	$666,008.72	$509,730.63
A. T. & S. F. R. R.	30,885.52	66,271.03
C. R. I. & P. Ry. and St. L. K. C. & C. Ry.	124,469.14	111,178.60
K. C. So. Ry.	7,044.49	27,260.75
St. L. & H. Ry.	37,275.38	145.23
M. K. & T. Ry.	140,593.46	63,815.12
K. C. C. & S. Ry.	14,654.57	10,846.91
C. B. & Q. R. R.	394,878.77	261,556.41
C. G. W. Ry.	49,459.47	34,621.62

In the case of the St. Louis & San Francisco there were included in expenses sums paid as rentals under a lease given by the Kansas City, Fort Scott & Memphis Railway company whose common stock is owned by it which operates the company under a lease requiring it to pay to the holders of preferred stock of the Fort Scott & Memphis Company, as a rental, a sum equal to four per cent. annual dividends. This lease has been in force several years and is a fair one, and such rental has been treated as an operating expense, and is not included in fixed charges. And the Court finds that it is an operating expense. But even if it were a fixed charge, it is not material as the result would not be changed even though the rentals were carried into the fixed charge account. This is so because the amounts carried into state freight expense is only $8,428.56 and interstate passenger expense, $7,443.68.

15. In the statements hereinbefore referred to made and signed by the four experts, while they correctly set forth the figures on both the revenue theory and the ton and passenger mile theory, the placing of the miscellaneous earnings of the passenger business is arbitrarily fixed and does not at all proceed upon the passenger mile basis, but for that the revenue basis is taken and fixed. Such earnings are arbitrarily divided without reference to the facts, the result being the state earnings and especially passenger, are fixed much higher than the actual earnings. Said division instead of following defendants' theory of the ton mile and passenger mile basis, is upon the revenue basis from which it is seen that this

would be a splitting of theories. But from this and from all the evidence it is plain that even the ton and passenger mile basis theory cannot be worked out without showing a loss, to prevent which an arbitrary change of account must be made as to the miscellaneous business. Even in making this arbitrary change the revenue basis is used, and yet the revenue division of expenses insisted
10039 upon by complainants is said not to be recognized. This is utterly illogical and unfair, and does not represent the true facts as to whether such earnings are made at a loss, and there is no reliance whatever to be placed in such method of accounting. In so finding no reflection whatever is made upon the experts for the state, because as before found they are men of the highest character and learning and highly skilled in accounting and with a proper basis for such accounting their work is perfect. And from their own statements upon the basis adopted herein for making such accounting by the Court, the freight business for the period mentioned would have been done at a loss if the statutory rates had been observed, and the passenger business was done at a loss under the two cent fare statute.

16. As to each of the nine companies whose cases have been submitted, the earnings and expenses and all other items are different in amount. So with the returns upon value to which the company is entitled. But in no event in any of the cases tried would the freight earnings, after making the deductions herein found result in a return to any company of more than three per cent. With nearly every company an actual deficit is shown if the 1907 statute had been in force. So under the two cent fare statute a deficit as to nearly all of the companies, and not more than two per cent. in case of any company. If the freight and passenger business should be combined with the miscellaneous of each class, there would be a deficit as to some and not to exceed three per cent. as to any of the others. In arriving at these conclusions and in adopting the tabulations herein set forth an account has been taken of all earnings, state and interstate, freight and passenger, and miscellaneous; the proportion which state and interstate freight and passenger exclusive of miscellaneous bear to all state and interstate, miscellaneous included, and that which they bear to all the earnings of the state; of miscellaneous freight and miscellaneous passenger earnings, undivided as between state and interstate, with the proportion they are of all earnings, freight and passenger; of all expenses divided as between all kinds of freight and passenger business, including miscellaneous, but not divided as between state and interstate; of the deductions to be made from all state freights not including miscellaneous of such proportion of expenses of all freight and passenger respectively as the freight and passenger earnings exclusive of miscellaneous bear to all earnings; of the deduction of the extra cost; of the diminution of freight earnings if the freight rate statute had been observed; of the value of that portion of the property

10058 In the Circuit Court of the United States, Western District of Missouri, Western Division.

No. 2988. Equity.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY
vs.
HERBERT S. HADLEY et al.

And Equity Cases No. 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3006.

Findings of Fact.

Prior to the argument the Court requested counsel on both sides to submit requests for findings of fact. Complainants' counsel did this. Defendants' counsel have not done so. Complainants' requests have been considered, some of which are embodied within the following findings, and some are not.

The following are the findings of fact that the Court makes as based upon the evidence herein:

1. The complainants are the eighteen railroad companies owning and operating lines of railroad in Missouri, they doing all of the state and interstate railroad business therein, and all of them except the St. Louis & Hannibal Company having lines of railroad both within and without the state. That company is wholly within the state, extending from Hannibal, Missouri, to the south 120.61 miles. The Kansas City, Clinton & Springfield Company is a road of about 160 miles in length with 151.01 miles in the state. All the
10059 other companies have lines extending into a number of other states, one of them extending into thirteen other states and territories. These roads with their own lines and with their connecting carriers, carry all the traffic and do all the business, freight and passenger, within the state, whether of state or interstate character. The intrastate business is at all times herein referred to as state business. That part of the interstate business which neither originates within, nor has its destination within, but passes across the State of Missouri, is called trans-state business.

2. The same roadbed, locomotives, cars, and trains including all facilities, are used for both classes of business, state and interstate. It is not practicable to conduct the business in any other way. This is so both from the standpoint of the public and that of the companies. If state business were to be carried alone upon some cars and trains, and interstate alone upon others, the expenses would be enormously increased, and almost if not quite prohibitive, while the public would be subjected to delays, inconveniences, and great expense. By reason of all this the business cannot practicably be separated.

3. Both from a geographical and railway standpoint Missouri is situated differently from the other states of the Union, there only being two or three other states that have a resemblance to it in these particulars, and each of them in a lesser degree. This is so because the Mississippi is its boundary on the east all the distance. From a railroad standpoint the Missouri River is its boundary line on the west, although physically the Missouri River is only the western boundary line from the northwest corner of the state about half way to the southwest corner. But at the half way point, namely, Kansas City, the river turns directly to the east, and continues its way to the Mississippi River. In its production, business, and commerce all that part of Missouri to the north of the Missouri River is practically like the south half of Iowa, the country districts producing large quantities of live stock and grain for the market, as well as much bituminous coal. The south half of Missouri is entirely different. The amount of grain and live stock is much less than in the north half of the state. But the south half has a large amount of timber, stone, lime, lead, zinc, iron, and fruits. St. Louis on the east is a city of nearly a million people, Kansas City on the west nearly half as many, while St. Joseph has more than one hundred and twenty-five thousand people. These three cities carry on large manufacturing interests. The grain, live stock, and packing house interests at Kansas City and St. Joseph are enormous. For a third of a century or more for reasons which need not be repeated, rates from the East were fixed to the Mississippi River, and later on, from thence to the Missouri River. The interstate rates either in or out were the one plus the other. It was the same from the West. It was likewise the same for the trans-state business going in either direction. Such is the method existing to-day. This brought about the fact which for years has existed and exists to-day, that the short line of road between the two rivers fixes the freight rates. To illustrate, the Burlington road is the short line between the rivers, being 198 miles from Hannibal to St. Joseph, and the same distance, within a few miles, to Kansas City. The roads between Kansas City and St. Louis, and there are four at least of them, including the Burlington, is an average distance of nearly 300 miles, but some of the roads being fifty miles or more farther between the points than the others. This brings about the fact that all freight rates between any one point on the one river and any point on the other river are the same as the rate from Hannibal to St. Joseph over the Burlington line. That is to say, the freight rates on any road regardless of distance are the same between St. Louis and either Kansas City or St. Joseph that they are between Hannibal and St. Joseph over the Burlington line. This has given the three cities of St. Louis, Kansas City, and St. Joseph great advantages over other points. Competent persons say that to change this system will work irreparable harm to the three cities named, as well as to all other places within the state, by driving both the jobbing and manufacturing

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10032 it was conceded at the trial that if the rates fixed by the Act of 1907 were confiscatory, that those fixed by the Act of 1905 were likewise.

5. The parties were producing evidence and preparing their evidence for about one year with the aid of experts on each side. These experts were all men of high character and great proficiency as railroad accountants. The experts on each side were given the fullest opportunity and all the time desired to obtain the information and put the same in form in exhibits, schedules and reports, all of which are in evidence in the cases, supplemented by the oral testimony of each of the experts with reference to all of these things.

6. It was conceded by the experts that the companies fairly, accurately and honestly kept their books showing the facts in these findings set forth. The experts of the state and of the companies have thereby been enabled to present with certainty and precision all the earnings within the state, both state and interstate business. But obtaining and compiling this information by the experts has been at great expense of time and money. One exception to the foregoing is to be noted as to passenger fares for a short period of time after the two cent fare law became operative. By agreement of both sides in open court in June, 1907, this Court issued a temporary writ of injunction against the enforcement of the freight rate statute. The complainants asked for a temporary injunction against the enforcement of the two cent passenger fare statute. This Court held that the statute should be given a trial for five months and ascertain the result by actual operation. In preparing the order counsel, no doubt by inadvertence, fixed three months as the period for trial as to results. But by acquiescence of both sides, or if not, by delays with which the Court was not chargeable, such status remained for more than one year, and the cases were not actually brought on for trial until in November, 1908. But after the statute became operative in June, 1907, and this Court denied the temporary writ of injunction, the interstate passenger rates remained as they were for a period of about two months. During the time that condition prevailed parties both coming into and going out of Missouri on interstate journeys would buy tickets to the state line, thereby obtaining the benefit of the two cent fare for all distance within the state. It was not possible for the companies to show the truth as to the number of such trips, and therefore it is not possible for the Court to find just how much of the earnings were on account of such interstate trips. But the extent, whatever it was, would make an erroneous showing as to state earnings, though favorable to de-
10063 fendants, because such earnings were of an interstate character. But even though for the short time a part of the

business was thus carried on so that additional earnings were erroneously placed to the credit of the state, still the results are not changed, for the error was against, and not in favor of, complainants.

Freight earnings, both state and interstate, are made up from earnings of transportation and another item called "miscellaneous freight," composed of switching, demurrage, and storage charges, and track and equipment rentals. Passenger earnings are made up of passenger fares and miscellaneous, the latter covering mail, express, excess baggage, storage, rentals, and possibly some other terminal earnings.

No difference of consequence has arisen between the parties as to the expense of doing the entire business in the state. With reasonable certainty the expenses for doing the freight and passenger, including miscellaneous of each, can be and have been separated.

The earnings are known and fixed and in these findings stated to a certainty. But as to the expenses as between state and inter-state business, there has been a controversy and such is the principal controversy in the cases. There is no known fixed or certain rule for determining how this separation of expenses shall be made. The same cannot be made with mathematical certainty. Complainants claim that the division should be made upon the revenue basis; defendants claim that it should be made upon the ton mile basis for freight, and passenger mile basis for passengers, classifying the miscellaneous earnings as and with freight and passenger earnings respectively. By the revenue basis is meant to assign such proportion of the total expense in the state on that class of business as the earnings of that class of state business bears to all the earnings state and interstate from the same class, or, which is the same thing, ascertain what the percentage of all expenses is of all earnings, then multiply that by the state earnings of any class, and thus obtain the sum to be assigned as state expense. The ton mile basis as to freight means the assignment as state freight expenses of any class of business such proportion of all state expense as the number of ton miles of state freight bears to the total ton miles of all freight hauled within the state. By the passenger mile basis is meant the assignment as state passenger expenses such proportion of all passenger expenses as the number of passengers in state business carried one mile bears
10064 to the whole number of passengers state and interstate carried one mile.

For reasons stated in an opinion herein filed, the revenue basis has been and is adopted as the only logical basis to use in arriving at a correct conclusion. The one basis or the other as a whole must be adopted. Either side can make a better showing by adopting the one basis in part of the accounting, and the other basis for the other. Neither should be and is allowed to do this. As will presently appear, the state has attempted to do this in making its passenger earnings accountings.

7. Each basis for accounting has some defects, but they are minor and not controlling and do not change the result if the revenue basis is taken.

The expense of doing the state business over interstate is greater for carrying freight by at least fifty per cent., and at least twenty-five per cent. for carrying passengers. Therefore this extra cost must be added to the expenses after they have been ascertained so as to obtain the total expense. If the ton mile basis of division were adopted, the extra cost should also be added. This would require the use of another multiplier sufficient to bring the sum total of the state freight expense equal to that found herein, to actually represent the cost as shown by the evidence. Any apportionment of passenger expense upon the passenger mile basis would be unfair and unjust, although much more favorable to the companies than if made upon the revenue basis.

8. All things considered, the evidence shows the cost of doing the different classes of state business as between state and interstate apportioned upon the revenue basis with added extra cost brings a result in these findings stated, which is fair and representative and just. The Court finds, aside from the revenue basis, that the evidence shows the amount ascertained in each case as the expense and extra cost, is fair and justly represents the expense of doing each class of state business. The extra cost as to each complainant for doing the state business over interstate is more than fifty per cent. in case of freight, and more than twenty-five per cent. in case of passenger. This extra expense as thus found is considerably in excess of these figures and the figures used are adopted as the minimum. The sum total of this extra cost if ascertained according to the ton mile theory, would not be changed because it is a question of multiplication, and one multiplier or another must be used accordingly as the theory is adopted. The
10065 findings herein made on all the evidence represent in dollars the fair cost and expense fixed at a minimum. There has also been considered and found in each case such sum as would equal the diminution of earnings upon the commodities covered by the freight rate statutes of 1905 and 1907 if the rates thus fixed had been charged, as there would have been but for the temporary injunctions herein issued.

9. The evidence shows that each of complainants has regularly paid for many years' interest on its bonds. There is no evidence to show that any of the railroad property within the State of Missouri has an undue amount of bonds or is unfairly bonded, and the evidence does not show that any of the bonds provide for interest in any sum greater than such bonds should carry. It does show that most of the bonds are at the lowest rates of interest, and much less than the legal rate allowable in Missouri. In thus referring to interest, the St. Louis & Hannibal, and Kansas City, Clinton & Springfield companies are excepted.

10. After the adoption of the two cent fare statute, there was no substantial increase in travel. For a few weeks there was a small increase largely brought about by interstate passengers buying

tickets to state lines, and in part by the novelty. What if any increase of travel occurred by reason of said two cent fare, would be a mere approximation. It has not been substantial, and there is no reason to believe that any such increase will be brought about in the future by a two cent fare.

11. The values of the railroad properties in the State of Missouri are found, in the cases tried, to be as follows:

	Miles.	Value.	Value per mile.
St. Louis & San Francisco	1688.89	$61,238,414.70	$36,259.00
Atchison, Topeka & Santa Fe	348.31	15,091,212.00	43,326.00
Chicago, Rock Island & Pacific	515.48	19,102,507.59	37,058.00
Kansas City Southern	174.48	8,039,084.40	46,075.00
St. Louis & Hannibal	120.61	1,143,077.02	9,477.00
Missouri, Kansas & Texas	506.21	20,894,229.93	41,276.00
Chicago, Burlington & Quincy	1136.34	53,172,907.83	46,793.00
Kan. City, Clinton & Springf'd	151.01	2,380,222.48	15,762.00
Chicago Great Western	84.43	3,605,236.38	42,701.00

With the exceptions hereinafter stated, the above valuations of the properties of said nine companies as fixed, are in fact practically the same as those fixed by the state assessing board for the purpose of taxation. But aside and apart from the valuations thus fixed by the state board, these findings are that upon the whole evidence said properties are at least of the values above
10066 fixed. The evidence shows that included in such sums the state board after making certain valuations under the heading of "all other property" fixed certain valuations, which when added give the totals as above. In argument it was contended that "all other property" included franchise values. This is not deemed important because it is difficult to see wherein steam railroad property like those involved, can have a franchise value. But waiving that, any franchise value that the state board could have considered, was necessarily so small a per cent. of the total valuations fixed by the state board as to make no appreciable difference in the result of these cases, because if altogether admitted the remaining value is such that no road could obtain a return to which it is herein found to be entitled. But if the property has a franchise value for taxation, it also has such valuation as an earning power or, rather, upon which returns should be made. In fixing the valuations above set forth there have been conisdered the immense terminal values of most of the roads, the amount of stock and bonds outstanding, what it would cost to duplicate the properties both with and without terminals in the large cities, and all the evidence bearing on present values, and in fixing said valuations the sums found are the minimum valuations, the properties being worth at least the sums thus fixed.

The foregoing valuations are the same as fixed by the state assessing boards except as to the property of the St. Louis & Hannibal and of the Kansas City, Clinton & Springfield in the state, which are found to be worth sixty-six and two-thirds per cent. of the valuations of the state boards.

12. The interest obligations except as already stated are just and reasonable and should be paid in full with some dividends to the stockholders in addition. However, and entirely aside from the question of interest, the rates and earnings should in any event be such as to produce a fair return upon the valuations hereinbefore fixed.

And such earnings should be on the property within the state as would be equivalent to six per centum per annum, that per cent. being a fair return upon such valuations.

13. About the same time the two cent fare statute became operative, passes and other forms of reduced and free transportation, were abolished. Since that time they have not been given nor used except in cases of employés actually employed. The passenger
10067 earnings were thereby increased, but such increase was not more than approximately one per cent.

14. After the arguments were concluded at the request of the Court, and with the consent of the parties, two experts upon each side, two selected by the railways and two by the defendants, worked with the Court for something more than one week. These experts were the same gentlemen representing their respective sides who had done much of the work in preparing the cases for the respective sides for hearing. The Court requested these experts to take the numerous tables and tabulate them already in evidence and to confine themselves wholly to that which had been introduced in evidence in the cases, and to make therefrom a new table for each of the nine cases showing the earnings and the expenses chargeable to each class of earnings according to the respective theories covered by counsel in the arguments. The Court further requested said four experts after preparing said new tables that if they agreed, to affix their signatures thereto. This they did below a certificate reciting that the statement of earnings, operating expenses, etc., as to each particular road for the time therein given, correctly shows the results on the various assumptions set forth therein. Said nine statements were by order of this Court, February 20, 1909, ordered filed and made of record in the cases. The said nine statements are now and here referred to, and are made part hereof. Each of said nine statements is found by the Court to be correct upon the respective theories presented. But the theory entitled as the "state's basis" is rejected for the reason that said statement improperly divides miscellaneous earnings, placing an undue proportion to the benefit of the state. And said basis improperly makes a division of expense upon the ton mile and passenger mile basis and does not allow a sufficient amount as extra cost of doing state business, and the same

does not allow enough for the value of the property in that it deducts all sums included "all other property" multiplied by three.

If the companies had been permitted to charge the amounts per passenger per mile which they did charge and receive prior to the two cent passenger fare statute, they would have received in addition to that which they did receive by reason of the statute and by reason of the temporary injunction being denied for earnings within the state for a period of twelve months last preceding the submission of the cases, the following sums: (Interstate, however, not controlled by statute, but by changing conditions.)

10068 Name of road.	State passengers.	Interstate passengers.
St. L. & S. F. R. R.	$666,008.72	$509,730.63
A. T. & S. F. R. R.	30,885.52	66,271.03
C. R. I. & P. Ry. and St. L. K. C. & C. Ry.	124,469.14	111,178.60
K. C. So. Ry.	7,044.49	27,260.75
St. L. & H. Ry.	37,275.38	145.23
M. K. & T. Ry.	140,593.46	63,815.12
K. C. C. & S. Ry.	14,654.57	10,846.91
C. B. & Q. R. R.	394,878.77	261,556.41
C. G. W. Ry.	49,459.47	34,621.62

In the case of the St. Louis & San Francisco there were included in expenses sums paid as rentals under a lease given by the Kansas City, Fort Scott & Memphis Railway company whose common stock is owned by it which operates the company under a lease requiring it to pay to the holders of preferred stock of the Fort Scott & Memphis Company, as a rental, a sum equal to four per cent. annual dividends. This lease has been in force several years and is a fair one, and such rental has been treated as an operating expense, and is not included in fixed charges. And the Court finds that it is an operating expense. But even if it were a fixed charge, it is not material as the result would not be changed even though the rentals were carried into the fixed charge account. This is so because the amounts carried into state freight expense is only $8,428.56 and interstate passenger expense, $7,443.68.

15. In the statements hereinbefore referred to made and signed by the four experts, while they correctly set forth the figures on both the revenue theory and the ton and passenger mile theory, the placing of the miscellaneous earnings of the passenger business is arbitrarily fixed and does not at all proceed upon the passenger mile basis, but for that the revenue basis is taken and fixed. Such earnings are arbitrarily divided without reference to the facts, the result being the state earnings and especially passenger, are fixed much higher than the actual earnings. Said division instead of following defendants' theory of the ton mile and passenger mile basis, is upon the revenue basis from which it is seen that this

would be a splitting of theories. But from this and from all the evidence it is plain that even the ton and passenger mile basis theory cannot be worked out without showing a loss, to prevent which an arbitrary change of account must be made as to the miscellaneous business. Even in making this arbitrary change the revenue basis is used, and yet the revenue division of expenses insisted
10039 upon by complainants is said not to be recognized. This is utterly illogical and unfair, and does not represent the true facts as to whether such earnings are made at a loss, and there is no reliance whatever to be placed in such method of accounting. In so finding no reflection whatever is made upon the experts for the state, because as before found they are men of the highest character and learning and highly skilled in accounting and with a proper basis for such accounting their work is perfect. And from their own statements upon the basis adopted herein for making such accounting by the Court, the freight business for the period mentioned would have been done at a loss if the statutory rates had been observed, and the passenger business was done at a loss under the two cent fare statute.

16. As to each of the nine companies whose cases have been submitted, the earnings and expenses and all other items are different in amount. So with the returns upon value to which the company is entitled. But in no event in any of the cases tried would the freight earnings, after making the deductions herein found result in a return to any company of more than three per cent. With nearly every company an actual deficit is shown if the 1907 statute had been in force. So under the two cent fare statute a deficit as to nearly all of the companies, and not more than two per cent. in case of any company. If the freight and passenger business should be combined with the miscellaneous of each class, there would be a deficit as to some and not to exceed three per cent. as to any of the others. In arriving at these conclusions and in adopting the tabulations herein set forth an account has been taken of all earnings, state and interstate, freight and passenger, and miscellaneous; the proportion which state and interstate freight and passenger exclusive of miscellaneous bear to all state and interstate, miscellaneous included, and that which they bear to all the earnings of the state; of miscellaneous freight and miscellaneous passenger earnings, undivided as between state and interstate, with the proportion they are of all earnings, freight and passenger; of all expenses divided as between all kinds of freight and passenger business, including miscellaneous, but not divided as between state and interstate; of the deductions to be made from all state freights not including miscellaneous of such proportion of expenses of all freight and passenger respectively as the freight and passenger earnings exclusive of miscellaneous bear to all earnings; of the deduction of the extra cost; of the diminution of freight earnings if the freight rate statute had been observed; of the value of that portion of the property

assignable to the particular traffic. This value is found by taking for each class of business of the entire value of the property in the state, such proportion as the earnings on that portion of the business bear to all the earnings in the state. A statement so made as to each of the companies whose cases have been submitted is as follows:

17. The periods taken are representative taken by the experts upon both sides, and were for the months set forth in the column headed "time". These tables do not follow the form taken by the experts in preparing exhibits to be introduced in evidence, nor do they follow the prepared form adopted by the four experts in making the nine statements hereinbefore referred to. An attempt has been made to abbreviate, but with the results the same as adopted by the experts. These are found to be correct as now to be set forth, and are adopted by the Court. If any error has crept into them, the Court will make proper correction upon his attention being called thereto after these findings have been filed, which can be readily done upon motion or suggestion. The tables adopted by the Court now follow:

INTERSTATE FREIGHT

Company	Time Mo.	Amount	% of all Freight	% of all Earnings
St. L. & S. F. R. R.	3	$2,214,002.82	76.94	54.68
A. T. & S. F. R. R.	6	1,872,915.00	90.05	67.72
C. R. I. & P. Ry.	3	665,228.16	79.38	59.86
K. C. So. Ry.	6	702,249.91	79.35	67.11
St. L. & H. Ry.	12	51,735.05	36.25	24.61
M. K. & T. Ry.	6	1,333,455.26	81.73	57.89
C. B. & Q. R. R.	12	6,454,699.87	78.75	52.40
K. C. C. & S. Ry.	12	116,893.60	68.27	41.04
C. G. W. Ry.	6	224,169.58	86.02	57.39

STATE FREIGHT

Company	Amount	% of all Freight	% of all Earnings
St. L. & S. F. R. R.	$ 577,192.84	20.04	14.26
A. T. & S. F. R. R.	141,133.00	6.79	5.10
C. R. I. & P. Ry.	150,953.68	18.02	13.58
K. C. So. Ry.	38,748.76	4.38	3.70
St. L. & H. Ry.	87,941.99	61.62	41.84
M. K. & T. R. R.	277,416.52	17.01	12.04
C. B. & Q. R. R.	1,580,529.64	19.28	12.83
K. C. C. & S. Ry.	45,003.15	26.29	15.80
C. G. W. Ry.	29,129.36	11.18	7.45

MISCELLANEOUS FREIGHT

Company	Amount	% of all Freight	% of all Earnings
St. L. & S. F. R. R.	$ 86,814.57	3.02	2.14
A. T. & S. F. R. R.	65,833.56	3.16	2.38
C. R. I. & P. Ry.	21,815.70	2.60	1.96
K. C. So. Ry.	144,046.62	16.27	13.77
St. L. & H. Ry.	3,044.11	2.13	1.45
M. K. & T. Ry.	20,603.37	1.26	0.89
C. B. & Q. Ry.	161,579.41	1.97	1.31
K. C. C. & S. Ry.	9,319.58	5.44	3.27
C. G. W. Ry.	7,280.24	2.80	1.86

INTERSTATE PASSENGER

Company	Amount	% of all Passenger	% of all Earnings
St. L. & S. F. R. R.	$ 368,687.43	31.49	9.11
A. T. & S. F. R. R.	355,318.12	51.81	12.85
C. R. I. & P. Ry.	113,524.21	~~42.02~~ 41.53	~~10.38~~ 10.22
K. C. So. Ry.	89,504.58	55.47	8.55
St. L. & H. Ry.	198.19	0.29	0.09
M. K. & T. R. R.	303,214.54	45.12	13.16
C. B. & Q. Ry.	1,777,788.27	43.15	14.43
K. C. C. & S. Ry.	41,145.00	36.22	14.45
C. G. W. Ry.	72,360.87	55.62	18.53

STATE PASSENGER

Company	Amount	% of all Passenger	% of all Earnings
St. L. & S. F. R. R.	$ 599,051.59	51.17	14.79
A. T. & S. F. R. R.	104,370.19	15.22	3.77
C. R. I. & P. Ry.	114,853.04	42.02	10.33
K. C. So. Ry.	31,865.28	19.75	3.05
St. L. & H. Ry.	52,667.38	78.04	25.05
M. K. & T. R. R.	246,368.53	36.66	10.70
C. B. & Q. R. R.	1,611,702.92	39.11	13.09
K. C. C. & S. Ry.	47,646.80	41.95	16.73
C. G. W. Ry.	38,105.03	29.28	9.75

MISCELLANEOUS PASSENGER

Company	Amount	% of all Passenger	% of all Earnings
St. L. & S. F. R. R.	$ 203,077.28	17.34	5.02
A. T. & S. F. R. R.	~~266,080.00~~	32.97	8.18
C. R. I. & P. Ry.	44,980.08	16.45	4.05
K. C. So. Ry.	39,973.54	24.78	3.82
St. L. & H. Ry.	14,619.99	21.87	6.96
M. K. & T. Ry.	122,458.22	18.22	5.32
C. B. & Q. R. R.	731,021.89	17.74	5.94
K. C. C. & S. Ry.	24,797.39	21.83	8.71
C. G. W. Ry.	19,643 99	15.10	5.02

226,080.00

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18. ALL FREIGHT AND PASSENGER EXPENSES, INCLUDING MISCELLANEOUS, LESS TAXES AND RENTALS, AND PERGENTAGES TO EARNINGS, UNDIVIDED AS BETWEEN STATE AND INTERSTATE.

Company	Freight	Passenger	Taxes and Rentals, Freight	Taxes and Rentals, Passengers
St. L. & S. F. R.	1,802,813.26	974,816.61	112,452.04	38,979.63
A. T. & S. F...	1,382,738.65	572,167.20	32,361.50	10,854.04
C. R. I. & P...	619,199.73	317,633.62	74,227.43	21,015.44
K. C. So.....	571,297.54	141,432.56	~~99,381.70~~	3,737.37
St. L. & H.....	117,908.81	68,343.04	5,994.07	2,273.61
M. K. & T.....	1,010,643.65	516,589.98	119,017.87	58,465.49
C. B & Q.....	6,793,610.60	3,527,311.81	12,235.30	6,152.58
K. C. C. & S...	98,988.29	138,384.77	9,182.36	5,749.38
C. G. W.....	198,887.69	126,355.88	12,294.18	11,312.16

Company	% of said expenses to earnings exclusive of taxes and rentals		Same, including taxes and rentals	
	Freight	Passenger	Freight	Passenger
St. L. & S. F. R. R..	62.64	83.26	~~3.07~~ 3.91	~~.84~~ 3.33
A. T. & S. F. R. R...	66.48	83.43	1.55	1.58
C. R. I. & P. Ry....	73.89	116.20	~~8.73~~ 8.86	7.68
K. C. So. Ry.....	64.55	87.66	2.52	2.31
St. L. & H. Ry.....	82.61	101.27	4.19	3.37
M. K. & T. Ry.....	61.95	76.87	7.29	8.69
C. B. & Q. Ry.....	82.88	85.60	0.00	0.00
K. C. C. & S. Ry....	57.81	121.83	5.36	5.06
C. G. W. Ry.....	76.33	97.11	4.71	8.68

The time of the foregoing tables is the same as in first table above.

19. The following nine tables show the state earnings and expenses, valuation, return on value, and interest charge of the said nine roads respectively whose cases have been submitted. The other cases are to be covered by decrees by agreement the same as certain decrees of the nine cases, all of which is of record.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY.

Period, Three Months.

State earnings and expenses	Freight	Passenger
State earnings	577,192.84	599,051.59
State expenses	361,644.33	498,716.20
Leaving	215,548.51	100,335.39
Less taxes and rentals	22,760.29	20,097.90
Leaving	192,788.22	80,237.49
Extra cost of doing state business, freight 50%, passenger 25%	131,425.08	53,907.36
Leaving	61,363.14	26,330.13
Diminution in earnings if the state rates in question had been charged	11,389.27	
Leaving	49,973.87	26,330.13
VALUATION	14.26%	14.79%
Assignable proportion of value for representative period, and 6% interest thereon, is	130,988.97	135,857.42
RETURN ON VALUE		
(a) Actual return upon the assignable value found in subdivision above, the amount shown in first subdivision above is	2.29%	1.16%
(b) Same without allowance for extra cost	8.2%	3.5%
INTEREST CHARGE		
Actual interest charge paid on assignable properties	116,792.45	121,133.27

ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY.

Period, Six months.

State earnings and expenses	Freight	Passenger
State earnings	141,133.00	104,370.19
State Expenses	92,581.89	87,834.09
Leaving	48,551.11	16,536.10
Less taxes and rentals	3,503.41	901.74
Leaving	45,047.70	15,634.36
Extra cost of doing state business, freight 50%, passenger 25%,	41,859.55	17,947.71
Leaving	3,188.15	2,313.35 (Red Ink) (Deficit)
Diminution in earnings if the state rates in question had been charged	13,885.87	
Leaving	10,697.72 (Red Ink) (Deficit)	2,313.35 (Red Ink) (Deficit)
VALUATION		
Assignable proportion of value for representative period, and 6% interest thereon	5.10% 23,089.35	3.77% 17,068.16
RETURN ON VALUE		
(a) Actual return upon the assignable value found in subdivision above, the amount shown in first subdivision above is	Nothing	Nothing
(b) Same without allowance for extra cost,	8. %	5.49%
INTEREST CHARGE		
Actual interest charge paid on assignable properties,	17,934.56	13,257.51

THE CHICAGO, ROCK ISLAND & PACIFIC RAILWAY COMPANY.

Period, Three Months.

State earnings and expenses	Freight		Passenger	
State earnings	150,953.68		114,853.04	
State expenses	111,579.80		133,469.65	
Leaving	39,373.28		18,616.61	(Red Ink) (Deficit)
Less taxes and rentals	13,375.78		8,830.68	
Leaving	25,998.10		27,447.29	(Red Ink) (Deficit)
Extra cost of doing state business, freight 50%, passenger, 25%	41,919.82		17,501.61	
Leaving	15,921.72	(Red Ink) (Deficit)	44,948.90	(Red Ink) (Deficit)
Diminution in earnings if the state rates in question had been charged	9,989.43			
Leaving	25,911.15	(Red Ink) (Deficit)	44,948.90	(Red Ink) (Deficit)
VALUATION				
Assignable proportion of value for representative period and 6% interest thereon	38,911.81	13.58%	29,599.34	10.33%
RETURN ON VALUE				
(a) Actual return upon the assignable value found in subdivision above, the amount shown in first subdivision above is		Nothing		Nothing
(b) Same without allowance for extra cost		~~2.04%~~ 2.47		Nothing
INTEREST CHARGE				
Actual interest charge paid on assignable properties	24,907.02		18,946.21	

THE KANSAS CITY SOUTHERN RAILWAY COMPANY.

Period, Six Months.

State earnings and expenses	Freight	Passenger
State Earnings	38,748.76	31,865.28
State Expenses	25,022.83	27,932.93
Leaving	13,725.93	5,932.35
Less Taxes and rentals	978.13	738.13
Leaving	12,747.80	3,194.22
Extra cost of doing state business, freight 50%, passenger 25%	11,711.60	5,346.15
Leaving	1,036.20	2,151.95 (Red Ink) (Deficit)
Diminution in earnings if the state rates in question had been charged	2,957.58	
Leaving	1,921.38 (Red Ink) (Deficit)	2,151.93 (Red Ink) (Deficit)
VALUATION		
Assignable proportion of value for representative period, and 6% interest thereon	3.70%	3.05%
	8,923.38	7,355.76
RETURN ON VALUE		
(a) Actual return upon the assignable value found in subdivision above, the amount shown in first subdivision above is	Nothing	Nothing
(b) Same without allowance for extra cost	6.58%	2.6%
INTEREST CHARGE		
Actual interest charge paid on assignable properties	5,295.38	4,365.11

THE ST. LOUIS & HANNIBAL RAILWAY COMPANY.

Period, Twelve months.

State earnings and expenses	Freight		Passenger	
State earnings.....	87,941.99		52,667.38	
State expenses.....	72,655.40		53,334.91	
Leaving.....	15,286.59		667.53	(Red Ink) (Deficit)
Less taxes and rentals..	3,693.55		1,774.32	
Leaving.....	11,593.04		2,441.85	(Red Ink) (Deficit)
Extra cost of doing state business, freight 50%, passenger 25%..	12,026.69		2,444.68	
Leaving.....	433.65	(Red Ink) (Deficit)	4,886.53	(Red Ink) (Deficit)
Diminution in earnings if the state rates in question had been charged.....	15,126.02			
Leaving.....	15,559.67	(Red Ink) (Deficit)	4,886.53	(Red Ink) (Deficit)
VALUATION				
Assignable proportion of value for representative period, and 6% interest thereon.....	28,694.05	41.84%	17,179.40	25.05%
RETURN ON VALUE				
(a) Actual return upon the assignable value found in subdivision above, the amount shown in the first subdivision above is.....		Nothing		Nothing
(b) Same without allowance for extra cost..		Nothing		Nothing
INTEREST CHARGE				
Actual interest charge paid on assignable property.....	16,359.44		9,794.55	

MISSOURI, KANSAS & TEXAS RAILWAY COMPANY.

Period, Six Months.

State earnings and expenses	Freight	Passenger
State earnings	277,416.52	246,368.53
State expenses	171,910.48	189,381.89
Leaving	105,506.04	56,986.64
Less taxes and rentals	20,244.94	21,433.45
Leaving	85,261.10	35,553.19
Extra cost of doing state business, freight 50%, passenger 25%	396.09 66,~~590.77~~	27,482.59
Leaving	~~18,679.33~~	8,070.60
Diminution in earnings if the state rates in question had been charged	19,165.01 20,222.85	
Leaving	~~1,552.52~~ (Red Ink) 1,057.57 (Deficit)	8,070.60
VALUATION		
Assignable proportion of value for representative period, and 6% interest thereon	13.04% 75,469.96	10.70% 67,070.48
RETURN ON VALUE		
(a) Actual return upon the assignable value found in subdivision above, the amount shown in the first subdivision above is	Nothing	0.72%
(b) Same without allowance for extra cost	5.18%	3.18%
INTEREST CHARGE		
Actual interest charge paid on assignable property	62,439.68	55,490.41 62,439.68

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY.

Period, Twelve Months.

State earnings and expenses	Freight		Passenger	
State earnings	1,580,529.64		1,611,702.92	
State expenses	1,324,453.83		1,489,746.71	
Leaving	256,075.81		121,956.21	
Less taxes and rentals	2,487.99	Cr.	2,798.50	Cr.
Leaving	258,563.80		124,754.71	
Extra cost of doing state business, freight 50%, passenger 25%	484,129.29		158,205.70	
Leaving	225,565.49	(Red Ink) (Deficit)	33,450.99	(Red Ink) (Deficit)
Diminution in earnings if the state rates in question had been charged	112,533.71			
Leaving	338,099.20	(Red Ink) (Deficit)	33,450.99	(Red Ink) (Deficit)
VALUATION				
Assignable proportion of value for representative period, and 6% interest thereon	409,325.04	12.83%	417,620.02	13.09%
RETURN ON VALUE				
(a) Actual return upon the assignable value found in subdivision above, the amount shown in the first subdivision above is		Nothing		Nothing
(b) Same without allowance for extra cost		2.11%		1.79%
INTEREST CHARGE				
Actual interest charge paid on assignable property	132,735.02		135,424.89	

KANSAS CITY, CLINTON & SPRINGFIELD RAILROAD COMPANY.

For Period of Twelve Months.

State earnings and expenses	Freight	Passenger
State earnings	45,003.15	47,646.80
State expenses	26,024.02	58,052.41
Leaving	18,979.13	10,405.61 (Red Ink) (Deficit)
Less taxes and rentals	2,414.04	2,411.86
Leaving	16,565.09	12,817.47 (Red Ink) (Deficit)
Extra cost of doing state business, freight 50%, passenger 25%	8,483.30	~~4,780.44~~ 7.6255
Leaving	8,081.79	~~17,577.91~~ (Red Ink) 20,442.47 (Deficit)
Diminution in earnings if the state rates in question had been charged	2,970.21	
Leaving	5,111.58	~~17,577.91~~ (Red Ink) 20,442.47 (Deficit)
VALUATION		
Assignable proportion of value for representative period, and 6% interest thereon	15.80% 22,564.51	16.73% 23,892.67
RETURN ON VALUE		
(a) Actual return upon the assignable value found in subdivision above, the amount shown in the first subdivision above is	1.36%	Nothing
(b) Same without allowance for extra cost	3.61%	Nothing.
INTEREST CHARGE		
Actual interest charge paid on assignable property	23,881.78	25,28[illegible].48

CHICAGO GREAT WESTERN RAILWAY COMPANY.

Period, Six Months.

State earnings and expenses	Freight		Passenger	
State earnings	29,129.36		38,105.03	
State expenses	22,235.64		36,996.98	
Leaving	6,893.72		1,108.05	
Less taxes and rentals	1,374.49		3,312.25	
Leaving	5,519.23		2,204.20	(Red Ink) (Deficit)
Extra cost of doing state business, freight 50%, passenger 25%	9,347.72		6,090.35	
Leaving	3,828.49	(Red Ink) (Deficit)	8,294.55	(Red Ink) (Deficit)
Diminution in earnings if the state rates in question had been charged	1,893.41			
Leaving	5,721.90	(Red Ink) (Deficit)	8,294.55	(Red Ink) (Deficit)
VALUATION				
Assignable proportion of value for representative period, and 6% interest thereon	8,057.70	7.45%	10,545.32	9.75%
RETURN ON VALUE				
(a) Actual return upon the assignable value found in subdivision above, the amount shown in the first subdivision above is		Nothing.		Nothing
(b) Same without allowance for extra cost		2.69%		Nothing
INTEREST CHARGE				
Actual interest charge paid on assignable property	7,164.08		9,375.81	

10082 20. The Court believes that the foregoing findings are all that are material and all that are necessary to make. However, if any party believes that any material finding of fact has been omitted, upon application of such party the same will be considered and made if deemed advisable. And likewise if any of the foregoing computations or figures have been erroneously made. But such application to be entertained must be made within thirty days from this date.

And each, all and every of the foregoing are made as the findings of the Court, and are now and here in open court this March 8th, 1909, ordered filed and made of record in said cases and all of them.

(Signed) SMITH McPHERSON, *Judge.*

10083 The supplemental opinion filed herein on the 17th day of April, 1909, is in the words and figures following, towit:

In the Circuit Court of the United States, Western District of Missouri, Western Division.

No. 2988. Equity.

ST. LOUIS & SAN FRANCISCO RAILROAD COMPANY, Complainant,
vs.
HERBERT S. HADLEY et al., Respondents.

And Equity Cases Nos. 2989, 2990, 2991, 2992, 2993, 2994, 2995, 2996, 2997, 2998, 2999, 3000, 3001, 3002, 3003, 3004, 3006.

Supplemental Opinion.

SMITH McPHERSON, *Judge:*

These cases are pending on a motion to modify the decrees and opinion filed March 8th, 1909.

1. The costs were taxed, the one-half to the railway companies, and the one-half to the state officers. The company being successful, it is contended that the taxable costs aggregating about eighteen thousand dollars should all be adjudged against the state officers.

In actions at law, in the absence of a tender or statutory offer to confess judgment, the costs follow the judgment. In equity cases such is the general rule, but not the invariable one. The award as to costs is discretionary.

Two things influenced the court in dividing the costs herein.

First. Defendants are officials, and as officials are representatives. They have no personal interest in the litigation. This of itself is not enough to avoid the costs, but it is to be considered. It will be presumed that the legislature will appropriate a sufficient amount to protect these officers. But this is not always done. The last legislature appropriated $40,000.00 for these cases, which was but two-thirds enough for the two years. The Master in Chancery and the lady stenographer gave a great deal of time, followed by very

large, but justly owing bills, the one-half of which has been paid by the railways, and by the state nothing with the appro-
10084 priation exhausted. Whether the other half is paid all depends upon what the legislature does.

Second. The more sufficient reason for dividing the costs is because of the extravagantly enormous record made in the cases. The Master gave many weeks to taking evidence, and many more weeks were given by the court in taking evidence. Both the Master and the Court were powerless to abbreviate the record, because the Supreme Court in the case of Blease vs. Garlington, 92 U. S., 1, and the Circuit Court of Appeals for this Circuit in case of Schubert vs. Woodward, 167 Fed. Rep., 47, 52, have held that Trial Courts must receive in equity cases all evidence offered that is germane to the issues. I complained, and in effect gave warning many times to the parties, but without avail, because of the prolixity of the record. Something like 15,000 pages of evidence were taken, when one-third would have been as strong a presentation of either side. Courts should impose penalties for this, and the only penalty is by way of costs. Both sides were at fault, and both sides should bear the burden. It does not follow that such a precedent will be one to plague. It is not a precedent to be followed except in cases where it ought to be followed.

2. Complaint is made because of the recital in my opinion that, "It being a legislative act, and not a judicial one, this court cannot fix rates. If it could, two and one-half cent passenger rates would be fixed for the stronger roads, and three for the others. But that is for the legislature acting itself with experts, such as the state employed in these cases or through a commission with like assistance."

My statement that "It being a legislative act, and not a judicial one, this court cannot fix rates," is not controverted by anyone. This being so, as of course, what I said as above is *obiter dictum*. But because it is dictum, is no reason whatever for not saying it, and still less a reason for now eliminating it from my opinion. The greater part of one of the greatest opinions ever written by the great Chief Justice (Marbury vs. Madison), was *dictum*. But
10085 even if it were possible, who would dare to mutilate that opinion? But two years since there were published two very large volumes wholly covering dictum only of the United States Supreme Court. Those dicta were and are binding on no one, but they contain much of the cream of our jurisprudence. This dictum of mine is binding on no one. It is my opinion, and will stand as of value, or of no value as the profession and informed laymen fix the value thereon. I believed it proper to say that the strong roads should have two and one-half cents per passenger per mile, and the weaker roads three cents. I could have fairly stated that the St. Louis and Hannibal, and the Kansas City, Clinton & Springfield Railroads should have four cents or more per passenger per mile.

I still adhere to those views, and entertaining them, I know of no reason for not stating them, with reasons for believing it was my

duty to state them. Passengers, like consumers, have rights. One of those rights is to have fares fixed reasonably low. But the term reasonable is a comparative one. It must be in proportion to what it is worth, and the better the service, the more it is worth. And the public is entitled to have, with the right to demand efficient service, provided always such is paid for. Much in argument was said by counsel on both sides as if an arbitrary flat rate is all that is involved, regardless of service and regardless of all other things. Whether the trains are expensive or inexpensive, daylight or night trains, through or local trains, main line or branch trains, roads through the hills of central Missouri, or the Ozarks, or over the prairies, and whether the trains carry few or many passengers, are matters largely passed over as if of no importance. To me they seem of great importance. So it is as to the greatly increased cost of materials compared with ten years ago. The average fare paid per year, aside from the low excursion rates, is less than six dollars per year, commercial travelers excepted. To reduce that to four dollars, thereby saving two dollars, is of course of importance. So are other matters of importance. Aside from having efficient service to be
10086 paid for at remunerative rates, the laboring men, the employés, have rights. They have the right to be well paid for their work, in day time and night time, sunshine and storm, during the excessive heat of the summer and the rigors of winter. Their hazardous and most dangerous service entitles them to remunerative compensation, which they cannot have with meagre earnings of the roads. Evidences of humanity and kindly feeling for their fellow men need not be wholly displayed toward the man who pay- six dollars per year for passenger fares. A kindlier disposition would suggest an equitable division of sympathy. Thousands and thousands of them have already been "let out" because of decreased earnings, and more are to follow, with diminished compensation for those from necessity retained. What is the truthful answer to make these men, and who is to make this answer? It is doubtful if the legislature thought this out. I decline to modify my opinion as respects this.

3. It is contended that the court was in error in its original opinion in that the penalties of the statutes render them void.

Whether rates prescribed by statute are valid or invalid, is a judicial question, and the legislature cannot prohibit the courts from passing thereon. This was so stated in the Minnesota Milk case, 134 U. S. And this cannot be done directly, by imposing such penalties as to terrorize the company, its officers and agents so that they do not dare to litigate the question. This was so held in ex parte Young but a year ago.

This question received but little attention from any of the counsel or the court, and was but briefly discussed by the court in the opinion.

In the Consolidated Gas case in 146 Fed. Rep., 150, Circuit Judge Lacombe held that a penalty of $1,000.00 for each charge for gas in excess of the statutory or commission rate was prohibitive and a denial of the right to go into the courts. And on the final hearing

of the same case in 157 Fed. Rep., 849, 881, a like holding is made, And in the same case on appeal, the Supreme Court held a year ago that the penalties were so excessive as to be void.

10087 The discussion by Justice Brewer speaking for the court, in the case of Cotting vs. Kansas City Stock Yards, 183 U. S. 79, 99, is to the same effect, although the question was not decided. And a like discussion with a like putting the question aside without a decision, is found in the Reagon case in 154 U. S.

And in the ex parte Young case, although the penalties were more severe than under the Missouri statutes, the question is at rest. The sole question is—Can a party be allowed to litigate a disputed question of fact as to property rights, without confiscation of all its property, and all of its agents being sent to jail, if the case is lost? Surely he can. Upon reflection and with much additional consideration, the holding now is that the section imposing penalties is void.

But this is largely an academic question, for the reason that the penalty section is easily separated from the main features of the statute. And I need not discuss the proposition that when separable the void section does not render the entire statute void.

4. These cases as to freight were brought four years ago. Two years ago supplemental bills were filed, bringing forward the new freight rate statute, and the passenger rate statute. Upon a hearing, by agreement of counsel on both sides, a temporary injunction was issued against the enforcement of the freight rate statute. The railways asked for a temporary injunction against the enforcement of the passenger rate statute. The Attorney General and his associates contested this, and were successful to the extent that the court ordered an observance of the statute for some months, until information from actual tests could be made. So that from the very inception of the case, it has been contended on the one side that the statute is invalid, and on the other side that the statute is valid. It therefore follows that this court has had jurisdiction for four years over all the parties, and over the entire subject matter of state earnings.

It is clear that this court having such jurisdiction should retain it over all the parties, and the subject matter, to the end that the decrees hereafter may be enlarged, or modified, as varying

10088 circumstances and the acts of the parties may require. Therefore the decrees should be so changed as to recite such reservations.

Kansas City, Missouri, April 17th, 1909.

10089 UNITED STATES OF AMERICA, *set:*

I, Adelaide Utter, Clerk of the Circuit Court of the United States, for the Western Division of the Western District of Missouri, do hereby certify that the above and foregoing is a full, true and complete copy of the record, assignment of errors, and all proceedings in the cause wherein Chicago, Burlington & Quincy Railroad Company is complainant and John A. Knott, et al., are defendants, No. 2998, as fully as the same remains on file and of record in my office.

Witness my hand as clerk and the seal of said Circuit Court. Done at office in Kansas City, Missouri, this 29th day of July, A. D. 1909.

[Seal of the United States Circuit Court for the Western District of Missouri, Western Division.]

ADELAIDE UTTER, *Clerk.*

10090 THE UNITED STATES OF AMERICA, *ss:*

The President of the United States to the Chicago, Burlington and Quincy Railroad Company, Greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States at the City of Washington, within thirty days from the date of this writ, pursuant to an appeal duly allowed by the Circuit Court of the United States for the Western Division of the Western District of Missouri, and filed in the clerk's office of said court on the 28th day of July, A. D. 1909, in a cause wherein John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri, are appellants, and you are appellee, to show cause, if any, why the amended final decree rendered against the said appellants, as in the said appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable Smith McPherson, Judge of the Circuit Court of the United States for the Western Division of the Western District of Missouri, this 28th day of July, A. D. 1909.

SMITH McPHERSON, *Judge.*

THE UNITED STATES OF AMERICA,
Western District of Missouri, ss:

I hereby acknowledge due service of the above citation this 28th day of July, A. D. 1909.

O. M. SPENCER,
Solicitor for Chicago, Burlington and Quincy Railroad Company, Appellee.

10091 [Endorsed:] 2998. Chicago, Burlington & Quincy Railroad Company vs. John A. Knott et al. Citation. Filed July 28, 1909. Adelaide Utter, Clerk. Gage Ladd & Small, Attorneys, 605 to 608 New York Life Bldg., Kansas City, Mo.

10092 In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY, and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss, and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

An appeal to the Supreme Court of the United States from the decree in this cause having been this day allowed to the defendants John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri, and the complainant at the same time announcing its intention to file a petition for a cross appeal, but being unable to do so now on account of the absence of one of its solicitors, and this appearing to the court to be good cause therefor, it is now ordered that the time within which the said John A. Knott, H. R. Oglesby, Frank A. Wightman and Elliott W. Major shall docket the cause and file the record thereof with the Clerk of the Supreme Court of the United States be and is hereby enlarged to Monday, the 13th day of September, A. D., 1909.

Dated Kansas City, Missouri, July 28th, 1909.

SMITH McPHERSON, *Judge.*

10093 [Endorsed:] 2988. C. B. & Q. R. R. Co. vs. John A. Knott et al. Order enlarging time to file transcript. Filed July 28. 1909. Adelaide Utter, Clerk. Gage Ladd & Small, Attorneys, 605 to 608 New York Life Bldg., Kansas City, Mo.

10094 THE PRESIDENT OF THE UNITED STATES OF AMERICA, *ss:*

The President of the United States to John A. Knott, H. R. Oglesby and Frank A. Wightman, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss, and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike, and Thomas F. Van Natta, Greeting:

You are hereby cited and admonished to be and appear in the supreme court of the United States at the city of Washington, District of Columbia, within thirty days from the date of this writ,

pursuant to an appeal duly allowed by the circuit court of the United States for the western division of the western district of Missouri on September 18, 1909, as a cross appeal in a case where the Chicago, Burlington & Quincy Railroad Company is cross appellant and you are the cross appellees, and show cause, if any, why the amended final decree rendered against the said appellant as in the said appeal mentioned should not be granted, and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable Smith McPherson, Judge of the Circuit Court of the United States for the Western Division of the Western District of Missouri, this September 18th, 1909.

SMITH McPHERSON, *Judge.*

10095 UNITED STATES OF AMERICA,
Western District of Missouri, ss:

Due service of the above citation acknowledged this September 18, 1909.

ELLIOTT W. MAJOR,
Attorney General,
F. W. LEHMANN,
SANFORD B. LADD,
Solicitors for Appellees.

10096 [Endorsed:] No. 2998. C. B. & Q. R. R. Co., Compl., v. Jno. A. Knott et al., Def'ts. Citation. Filed Sept. 20, 1909. Adelaide Utter, Clerk.

10097 UNITED STATES OF AMERICA, *sct:*

Be it remembered, that heretofore, to-wit, on the 18th day of September, A. D. 1909, there was filed in the office of the clerk of the Circuit Court of the United States for the Western Division of the Western District of Missouri, in the cause wherein Chicago, Burlington and Quincy Railroad Company is complainant and John A. Knott, et al., are defendants, a petition for a cross appeal and an assignment of errors by the said complainant.

Said petition for a cross appeal and assignment of errors are in words and figures as follows, to-wit:

10098 In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

The above named complainant, conceiving itself aggrieved by the decree rendered and entered on March 22, 1909, as of March 8, 1909, as amended by the decree rendered and entered on April 17, 1909, at the November, 1908, term of court in the above entitled cause, does hereby apply for an appeal, and does appeal from such decree to the Supreme Court of the United States for the reasons specified in the assignment of errors filed herewith, and prays that this appeal may be allowed as a cross appeal, and such steps taken to perfect the same as may be required by law, an appeal having already been prosecuted for the decree, and a transcript taken by the attorney general and railroad and warehouse commissioners, defendants in the cause.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY,
By O. M. SPENCER,
FRANK HAGERMAN,
Its Solicitors.

10099 The foregoing petition for appeal is presented and allowed this September 18", 1909, by the undersigned, Judge who rendered the decree appealed from.

(Signed) SMITH McPHERSON, *Judge.*

10100 In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike and Thomas F. Van Natta, Defendants.

Assignment of Errors.

Now comes complainant and respectfully shows that the court in the proceedings and decree in the above entitled cause committed manifest error in each of the following respects:

1. In rendering and entering that portion of paragraph 5 of the original and amended decree reading:

"It is further ordered, adjudged and decreed that the defendants, or any of them, when the circumstances have changed so that the rates fixed as aforesaid shall yield to complainant reasonable compensation for the services aforesaid, may apply to this court by supplemental bill or otherwise, as defendants or either of them may be advised, for further orders in their behalf."

2. In rendering and entering paragraph 6 of the amended

10101 final decree reading:

"The taxable costs of the case including those covered by orders of the court, heretofore made or hereafter made on motion to tax or retax, and including printing bill of Buxton-Skinner Stationery Company shall be paid as follows, to-wit: The one-half by complainant and the other half by defendants who are Railroad Commissioners and the Attorney General, to be recovered by execution to be issued by the clerk of this court upon application of any party in interest."

3. In not decreeing to be regulation of commerce among the states and invalid, of no force, and contrary to the provisions of section 8, article 1 of the constitution of the United States, each of the acts of the legislature of Missouri mentioned in paragraph 2 of the amended final decree; the purpose of this assignment being to make it a separate assignment of error as to each of said acts, the same as if it were separately written out and applied to each act.

4. In not decreeing that the rights, privileges and immunities of complainant were abridged, that complainant was denied the equal protection of the law and deprived of its property without due process of law, all contrary to the provisions of the fourteenth

amendment to the constitution of the United States, by the state making and enforcing each of the legislative acts mentioned in paragraph 2 of the amended final decree; the purpose and intent hereof being to separately assign this error as to each one of said acts the same as if so separately written.

5. In holding that neither the freight act approved March 19, 1907, nor that approved April 14, 1905, nor that approved
10102 April 15, 1905, nor the passenger act approved February 27, 1907, nor the enforcement of either of them, directly affected interstate commerce.

6. In holding that neither the freight act approved March 19, 1907, nor that approved April 14, 1905, nor that approved April 15, 1905, nor the passenger act approved February 27, 1907, was discriminatory against complainant or, as to it, violative of the fourteenth amendment to the constitution of the United States when the act was upon its face general in its terms, applicable to all companies in the state, and the findings show that it is confiscatory as to each of the other companies in the state and as to complainant's competitors.

7. In holding that the passenger act approved February 27, 1907, was upon its face valid, whereas it was discriminatory and unreasonably classified companies according to mileage and according to ownership, control and occupation so that all roads in the state were arbitrarily required to charge two cents per mile, except those of less than forty-five miles in length, which were permitted to charge four cents per mile, provided they were not owned, leased, controlled or occupied by any trunk line, company or corporation.

8. In holding that the passenger act approved February 27, 1907, was on its face valid, when it was discriminatory and unreasonable, and classified the fares to be charged by providing half fare for children.

9. In holding to be valid upon its face the freight act approved April 15, 1905, whereas it was discriminatory and unrea-
10103 sonable in that it fixed rates to be charged by any individual or railway company owning, operating, managing and leasing a railroad, but applied the penalties only to railway companies or corporations.

10. In not decreeing to be void each of the acts of the legislature of Missouri mentioned in paragraph 2 of the amended final decree, for that the penalties were so enormous, unreasonable and severe as to be an attempt to coerce complainant to put them in and prevent it from having a judicial inquiry and review; all contrary to the fourteenth amendment to the constitution of the United States; the purpose being to make this a separate assignment as to each of said acts the same as if they were separately written out and applied thereto.

For all of which reasons the decree and holding of the Circuit Court in such regard should be reversed.

O. M. SPENCER,
FRANK HAGERMAN,
Solicitors for Complainant.

10104 Thereupon a bond for such cross appeal duly approved is filed. Said bond is in the words and figures following, to-wit:

10105 In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY, and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss, and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike, and Thomas F. Van Natta, Defendants.

Bond.

Know all men by these presents that the Chicago, Burlington and Quincy Railroad Company, as principal and The United States Fidelity & Guaranty Company of Baltimore, Md. as surety, are held and firmly bound unto the above named defendants in the full and just sum of one thousand dollars to be paid to said defendants, their heirs, executors, administrators or assigns, for which payment well and truly to be made, we bind ourselves, our successors, heirs, executors and administrators jointly and severally by these presents.

Dated this September 15th, 1909.

Whereas lately, at the November, 1908, term of the above named court, in the above entitled cause, a decree was rendered against said complainant, which has obtained a cross appeal to reverse the action of the court in the aforesaid suit and a citation directed to
10106 the said defendants citing and admonishing them to be and appear in the supreme court of the United States at the city of Washington, District of Columbia, thirty days from and after the date of the said citation,

Now, the condition of the above obligation is such that if the said cross appellant and complainant above named shall prosecute said cross appeal to effect, and answer all damages and costs if it fail to make good its appeal, then the above obligation to be void; otherwise to remain in full force and virtue.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY,
By FRANK HAGERMAN,
Its Agent and Attorney.

[SEAL.] THE UNITED STATES FIDELITY & GUARANTY COMPANY,
By GEO. O. BACON,
J. L. CROSS,
Its Attorneys-in Fact.

The above bond is hereby approved and ordered to be filed and made a part of the record this September 18, 1909.

(Signed) SMITH McPHERSON, *Judge.*

10107 Thereupon an order allowing said appeal was duly filed and entered of record:
Said order is in the words and figures following, to-wit:

10108 In the Circuit Court of the United States for the Western Division of the Western District of Missouri.

No. 2998.

CHICAGO, BURLINGTON AND QUINCY RAILROAD COMPANY, Complainant,

vs.

JOHN A. KNOTT, H. R. OGLESBY, and FRANK A. WIGHTMAN, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri; Joseph M. Patterson, Charles E. Moss, and George J. Dodd, Judges of the County Court of Jackson County, Missouri; Arthur C. Warner, Treasurer of Jackson County, Missouri; Charles M. Daily, William F. Davis, James F. Robb, Vinton Pike, and Thomas F. Van Natta, Defendants.

Order.

This cause coming on for hearing this September 18th 1909, upon the application for an appeal by the complainant, together with its assignment of errors, an appeal is hereby allowed and bond for appeal is hereby fixed in the sum of one thousand dollars.

Inasmuch as this is a cross appeal, the clerk is directed to forward a transcript of all proceedings in the cause since the preparation and filing of a transcript of the record in the appeal taken by the defendants.

(Signed) SMITH McPHERSON, *Judge.*

10109 UNITED STATES OF AMERICA, *sct:*

I, Adelaide Utter, Clerk of the Circuit Court of the United States for the Western Division of the Western District of Missouri, do hereby certify that the above and foregoing is a full, true and complete copy of the record, assignment of errors and all proceedings in the cause wherein Chicago, Burlington and Quincy Railroad Company is complainant and John A. Knott, et al., are defendants, since the preparation and filing of the transcript of the record in the appeal taken by the defendants.

Witness my hand as clerk and the seal of said court. Done at

office in Kansas City, Missouri, this 20th day of September, A. D. 1909.

[Seal of the United States Circuit Court for the Western District of Missouri, Western Division.]

ADELAIDE UTTER, *Clerk.*

Endorsed on cover: File No. 21,821. W. Missouri C. C. U. S. Term No. 595. John A. Knott, H. R. Oglesby, and Frank A. Wightman, Railroad and Warehouse Commissioners, and Elliott W. Major, Attorney General of the State of Missouri, appellants, vs. Chicago, Burlington & Quincy Railroad Company. Filed September 13, 1909. File No. 21,837. Term No. 611. Chicago, Burlington & Quincy Railroad Company, appellant, vs. John A. Knott, H. R. Oglesby, and Frank A. Wightman, Railroad and Warehouse Commissioners; Elliott W. Major, Attorney General of the State of Missouri, et al. Filed September 22d, 1909. File Nos. 21,821 and 21,837.